Bengal Secretariat Library Copy.
To be returned when done with.

IX/137

469

(CONFIDENTIAL.)

COLLECTION OF ORIGINAL PAPERS

RELATING TO

THE BENGAL CIVIL FUND.

COMPILED UNDER THE ORDERS OF

THE MANAGERS OF THE FUND.

By J. O'KINEALY,—Officiating Secretary.

1876.

Calcutta Advertiser Press, 22 British Indian Street.

LIBRARY

BENGAL CIVIL FUND.

Original Papers relating to the construction of the Fund.

Proceedings of a Meeting of Civil Servants, on the Bengal, Establishment, held at the College of Fort William, on Monday, the 1st of October, 1804.

IN Pursunce of a public Notification, under Date the 29th of September, 1804, a Meeting of Civil Servants was held at the College of Fort William, on Monday, the 1st of October, for the Purpose of taking into Consideration the Means of Instituting a Civil Fund on the Principles of the Plan adopted at the Meeting, held on the 28th of July, to the Exclusion of the illegitimate Children of the Subscribers.

Mr. Mackenzie proposes, that Mr. Graham be requested to take the Chair, and that Mr. Adam be requested to act as Secretary to the Meeting. This Motion is seconded by Mr. M. Campbell, and is agreed to unanimously.

Mr. Graham having accordingly taken the Chair, states the Purpose for which the Meeting is assembled.

Mr. M Campbell moves the following Resolution :—

"Resolved, that a Fund to be denominated 'The Civil Fund,' be established on the Plan of the Institution agreed to at a Meeting of Civil Servants held on the 28th of July, 1804, with the Substitution of the following Article, for Article 6th, of the original Plan :—

ARTICLE VI.

"The Fund shall be raised in the first Instance, by the Contributions of such of the Company's Covenanted Civil Servants, on the Bengal Establishment, as may voluntarily become Subscribers to it, and it shall at all times be at the Option of the Civil Servants already appointed, or who may hereafter be appointed to this Establishment, either to subscribe thereto or othewise."

Mr. Wm. B. Bayley seconds the Motion, which is carried unanimously.

An Address is read by the Chairman, stating the Grounds on which it has been resolved by the present Meeting to establish a separate Fund, and to submit the same to the Service at large

The address is unanimously adopted, and ordered to be inserted in the Proceedings of this Meeting.

"The Result of the Proceedings of a general Meeting of Civil Servants holden on the 29th September, demonstrated that nearly one half of those Gentlemen, whose Votes were taken, objected to the Establishment of of a public Institution, to the Benefits of which the illegitimate Children of the Subscribers were admitted.—A Reference to the Number of Civil Servants on this Establish-

ment, and to the Number of those, who actually voted at the Meeting held on the 29th of September, will prove, that the Vote of one Third of the total Number of Civil Servants were not given on the Question.

"It was to be expected, from the Tenor of several of the written Votes, and from the known Sentiments of some of those Gentlemen, who were present at the Meeting, that many Civil Servants, who notwithstanding their Objections to the Clause in favor of illegitimate Children, had declared their Intention to subscribe to any Fund, which might be agreed on by the Majority, would prefer subscribing to a separate Institution, free from the Clause to which they had declared their Objections.

"It was therefore justly supposed, that a large Proportion of the Civil Servants of this Establishment, would unite in the Institution of a Civil Fund founded on the Principles of the Plan adopted on the 28th of July, to the Exclusion of the Clause which had excited so much Difference of Opinion.

"The large and respectable *Minority on Mr. Colebrooke's Proposition, afforded just Reason to suppose, that the Number of Subscribers to such a separate Institution, would secure Funds adequate to all the probable Demands upon it. It was also considered, that the actual Demands upon such an Institution, would be infinitely fewer in Proportion to the Number of Subscribers, than those upon the Fund which provided for the Support of the illegitimate Children of the Subscribers.

"Every Probability exists to warrant a confident Expectation, that young Men, who may hereafter enter the Civil Service of this Establishment, will prefer subscribing to that Institution, which is free from the Objections urged against the Fund, as adopted on the 29th of September, and is not at Variance with the established Rules of that Society, which they have so recently quitted.

"The Advantages of the separate Institution, as established this Day, will, therefore, be progressive, while the other, for the same Reasons, will gradually decay.

"It must not be supposed, that in Objecting to admit to the Benefits of a Public Institution the illegitimate Children of Subscribers, the Proposers of this Plan, are deaf to the Calls of Humanity, or would abandon those Children to want or distress. There is not an individual amongst the Supporters of this Fund, who would not with Pleasure assist in Contributing to their Relief; but they most strenuously and decidedly object to a Public Institution in which a Provision is made for the illegitimate Offspring of the Subscribers.

"The plan of the 28th of July, having been adopted, by this Meeting, with the Alterations above agreed to, is now submitted to the Service at large."

The Gentlemen present then sign their Names as Subscribers, in a Subscription Book opened for the Purpose, and proceed to the Election of five Managers and Trustees of the Fund, for the curent year, in Pursuance of the 15th Article of the Plan adopted.

The following Gentlemen are accordingly elected by a Majority of Votes:

THOMAS GRAHAM, ESQ.
JOHN MACKENZIE, ESQ.
JOHN THORNHILL, ESQ.
JOHN ADAM, ESQ.

AND

CHARLES D'OYLY, ESQ.

The Thanks of the Meeting are voted to Mr. Graham and to Mr. Adam, for their Assistance in Promoting the Business of the Day.

And the Chairman of the Meeting is requested to cause the Proceedings of the Meeting to be printed, and circulated to the Whole of the Civil Servants of this Establishment.

THOMAS GRAHAM,
Chairman.

List of the Minority on Mr. Colebrooke's Motion at the General Meeting of the Bengal Civil Servants, held on the 29th September.

Mr. Thomas Graham,	Mr. T. Fortescue,
Mr. J. Mackenzie,	Mr. Thomas Perry,
Mr. W. Farquharson,	Mr. J. Waûchope,
Mr. J. Lumsden,	Mr. C. Lushington,
Mr. William Armstrong,	Mr. C. T. Metcalfe,
Mr. B. Masbn,	Mr. A. B. Tod,
Mr. J. Rawlins,	Mr. W. Money,
Mr. N. B. Edmonstone,	Mr. J. Hayes,
Mr. J. Cheap,	Mr. E. C. Lawrence,
Mr. J. Thornhill,	Mr. T. C. Plowden,
Mr. Andrew Seton,	Mr. Thomas Liell,
Mr. L. Molony,	Mr. A. G. J. Tod,
Mr. Duncan Campbell,	Mr. J. Littledale,
Mr. H. St. G. Tucker,	Mr. T. C. Scott,
Honorable A. Ramsay,	Mr. William Trower,
Mr. Robert Cunyngham,	Mr. S. Bird, Junr.,
Mr. James Law,	The Hon'ble E. Gardner,
Mr. H. W. Droz,	Mr. C. W. Gardner,
Mr. Robert Graham,	Mr. H. Puller,
Mr. T. F. Bevan,	Mr. D. Scott,
Mr. J. Adam,	Mr. M. H. Turnbull,
Mr. S. Swinton,	Mr. H. Alexander,
Mr. J. Irwin,	Mr. J. Majoribanks,
Mr. J. D Erskine,	Mr. George Swinton,
Mr. H. Stone,	Mr. A. Campbell,
Mr. M. Campbell,	Mr. William Loch,
Mr. H. T. Travers,	Mr. H. G. Christian,
Hon'ble M. Elphinstone,	Mr. A. Reveley,
Mr. J. Pattenson,	Mr. H. Newnhan,
Mr. William Scott,	Mr. G. J. Siddons,
Mr. C. Trower,	Mr. W. B. Gordon,
Mr. Robert Brooke,	Mr. F. D. Gordon,
Mr. William Spedding,	Mr. P. Monckton,
Mr. Robert Richardson,	Mr. R. Walpole,
Mr. M. Law,	Mr. W. W. Bird,
Mr. Charles Lloyd,	Honorable C. R. Lindsay,
Mr. William Watts,	Mr. T. Pakenham,
Mr. G. C. Master,	Mr. C. Chapman,
Mr. J. Forbes,	Mr. H. Hope,
Mr. Charles Bayley,	Mr. William Wright,
Mr. Charles D'Oyly,	Mr. G. A. C. Plowden,
Mr. H. Hodgson,	Mr. B. Berney,
Mr. R. C. Plowden,	Mr. Edward Maxwell,
Mr. W. B. Martin,	Mr. J. Ewing,
Mr. W. M. Fleming,	Mr. J. Shum,
Mr. W. B. Bayley,	Mr. E. Dawes,
Mr. W. H. Trant,	Mr. J. Eyre,
Mr. C. Pattenson,	Mr. J. Savage,
Mr. H. Mundy,	

N. B.—The Subscription Book is deposited at the General Treasury, for the Purpose of Receiving the Signatures of Subscribers to the Plan of a Civil Fund established this day.

At a meeting of the five Managers of the Civil Fund, elected at a General Meeting of the Civil Servants, on the 1st of October 1804, convened for the purpose of choosing a President, and for other business.

Present:

THOMAS GRAHAM, ESQ.
JOHN MACKENZIE, ESQ.
JOHN THORNHILL, ESQ.
JOHN ADAM, ESQ.
CHARLES D'OYLY, ESQ.

Mr. Mackenzie proposed that Mr. Graham be requested to take the Chair.

Agreed unanimously

Agreed that a copy of the Proceedings of the Meeting of Civil Servants, held on the 1st of October 1804, together with the plan of a Civil Fund established on that day (as soon as the same shall be printed), be submitted to His Excellency, The Most Noble the Governor-General in Council, with the following letter:—

Letter from the Managers and Trustees of the Civil Fund, to His Excellency the Most Noble The Marquis Wellesley, K. P., Governor-General in Council, dated 4th October 1804.

WE have the honor to submit to your Excellency in Council the enclosed printed copy of the Proceedings of a Meeting of Civil Servants holden on the 1st of October 1804, together with the plan of a Civil Fund, unanimously agreed to at that meeting. "For the benefit of the widows and of the children born in wedlock of such of the Subscribers as may not at their death leave property sufficient for the support and education of their families, and also for the benefit of any of the Subscribers themselves who may be compelled by sickness or infirmity to proceed to Europe without possessing adequate means of support."

Should we be so fortunate as to receive your Lordships' sanction and support to the plan for the institution of a Civil Fund submitted with this address, we propose to have the honor of addressing Your Excellency in Council at a future period for the purpose of entreating your Lordship to convey to the Hon'ble The Court of Directors the solicitations of the Subscribers to the Fund on the various points comprized in the 2nd, 3rd, 4th, and 5th articles of the Plan.

We consider it however to be more consistent with the sentiments of respect towards Your Excellency in Council, with which we are deeply impressed, to confine the present address to the expression of our earnest hope that Your Excellency will be pleased to extend to this institution the high honor of the sanction, patronage, and support of Your Excellency in Council, and that your Lordship will be pleased to permit the officers of Government designated in the 15th Article of the enclosed Plan, to act as Managers and Trustees for the Civil Fund, and otherwise to contribute their assistance in facilitating the means of carrying it into effect.

Rules of the Civil Fund,

Agreed to at a Meeting of the Civil Servants of the Honourable the East India Company on the Establishment of Bengal, held at the College of Fort William, on the 1st October 1804.

ARTICLE I.

THE Civil Fund, instituted on the 1st of October, 1804, shall be considered to have Effect from the 1st Day of January, 1804; and the immediate Objects of this Fund shall be, to provide for the Maintenance of the Widows and Children of such of the Subscribers to it as may not, at their demise, leave Property sufficient for the Subsistence and Education of their families. Also to assist in Maintaining any of the Subscribers themselves, who may be compelled by Sickness or Infirmity to return to Europe for the recovery of their Health, without an adequate Provision for their Support.

ARTICLE II.

The Honorable Court of Directors, in their Letter to the Government of Fort St. George, under date the 16th June, 1802, relative to the Civil Fund established at that Presidency, having been pleased to declare that the Case of such of their Servants as may become disqualified, either by mental or bodily Infirmities, for active Services, and who may be desirous of Retiring to their native Country, will always be considered by the Honorable Court with humane Attention to their Situation and Circumstances; it cannot be doubted that such of the Civil Servants of this Establishment as may, after a lengthened residence in India, be compelled by Infirmity to relinquish their Prospects in the Company's Service, and to retire to their native Country, without a Provision for themselves and Families, will experience the just and liberal consideration of the Honorable Court. The Fund now established, therefore, shall not, at present, be considered to include such cases; to which, moreover, it could not be extended in the first instance.

ARTICLE III.

It shall further be respectfully submitted to the Honorable Court of Directors, through His Excellency the Most Noble the Governor-General in Council, that the purposes of this Institution would be essentially promoted, by the Honorable Court's permission to such of their Civil Servants as may be under the necessity of returning temporarily to Europe for the Re-establishment of impaired Health or Constitution, to proceed thither on leave of absence, for a period not exceeding three years, unless prolonged by renewed Permission from

the Honorable Court, with the allowance now granted to Servants in India who are out of employ, viz. to a Senior Merchant, Rupees 325-9-2 per Mensem, or nearly 4,000 Sicca Rupees per Annum; to a Junior Merchant Rupees 244-2-8 per Mensem, or nearly 3000 Sicca Rupees per Annum; to a Factor or Writer, Rupees 162-12-7 per Mensem, or nearly 2,000 Rupees per Annum. It is confidently hoped, from the known Justice and Liberality of the Honorable Court of Directors, as well as from the Furlough allowed to their Military Servants, that they will be pleased to extend this Indulgence to their Civil Servants; who are often reduced to the Necessity of a temporary Return to Europe by ill health, originating in, or increased by, a zealous Discharge of their official Duties, in an ungenial Climate; and in such Cases are deprived of the Income arising from their actual Situations, as well as of the Benefit they might have expected from regular promotion in the Service. (See Rule 21.)

ARTICLE IV.

In the event of the Honorable Court of Directors being pleased to exonerate the Civil Fund from the Charge of providing for their Servants, in the Cases of Infirmity, Sickness, and Misfortune, stated in the two preceding Articles, it is expected that the Contributions of the Subscribers to the Fund will be sufficient to provide for the remaining Objects of it, without a Solicitation of pecuniary aid from the Company. But should any unforeseen Circumstances prevent the Acquiescence of the Honorable Court in what has been above submitted to their Consideration, it shall be solicited of them, through His Excellency the Most Noble the Governor-General in Council, to extend to this Fund the Support which they have been pleased to afford to the Madras Civil Fund, by such annual Donation on the part of the Company, as may appear to them proper, on Consideration of the Number of the Servants of this Establishment, and the Objects to be provided for by the present Institution.

ARTICLE V.

The Honorable Court of Directors, and His Excellency the Most Noble the Governor-General in Council shall also be solicited to accept the Patronage of this Institution; to encourage it by their Protection; and to allow any requisite Aid from the Officers of Government in receiving the Contributions for it, or otherwise in facilitating the Means of carrying it into effect.

ARTICLE VI.

The Fund shall be raised, in the first instance, by the contributions of such of the Company's covenanted Civil Servants on the Bengal Establishment, as may voluntarily become Subscribers to it; and it shall, at all times, be at the Option of the Civil Servants already appointed, or who may be hereafter appointed, to this Establishment, either to subscribe thereto, or otherwise.

ARTICLE VII.

The contributions for the Fund shall be proportioned to the monthly Salary, or other public allowance of whatever description, receivable by the Subscribers respectively; and are now fixed from the first day of January 1804, at the following rates; viz.

If the Salary, or other Public Allowance of the Subscribers, be not more than 1,000 Sicca Rupees per Mensem, his Monthly Subscription to be ...	.. Sa. Rs.	10
If more than 1000 and not above 2000, ...	,,	20
If more than 2000 and not above 3000, ...	,,	30
If more than 3000 and not above 4000, ...	,,	40
If more than 4000	,,	50

ARTICLE VIII.

If a question shall arise in any Case, respecting what is to be considered a public Allowance on, which the Contribution is chargeable; or if any question whatever shall occur, respecting the Contribution demandable from a Subscriber, it shall at his desire, be submitted to a general Meeting of the Subscribers, and the Determination of such Meeting, regularly passed, shall be final.

ARTICLE IX.

The Rate of Contribution payable by each Subscriber shall, with the Permission of Government, be deducted from his monthly Allowances by the Sub-Treasurer, Collector, or other Officer paying the same; and be transferred or remitted to the Treasurer, of the Fund, in such manner as may be found most convenient, and least expensive to the Fund. The Committee of Managers, to be appointed as hereafter provided, shall take the necessary Measures for the Execution of this Article, after obtaining the Sanction of His Excellency the Most Noble the Governor-General in Council thereto; and may, in particular Cases, admit a Deviation from it, if a different Mode of Payment shall be desired by any Subscriber, and be equally advantageous to the Fund.

ARTICLE X.

The Sub-Treasurer of Government shall, with the Permission of His Excellency the Most Noble the Governor-General in Council, be requested to act as Treasurer to the Fund; and all Money, and Securities for Money, belonging to the Fund, in India, shall be kept in the public Treasury, subject to the Direction and Control of the Trustees and Managers of the Fund.

ARTICLE XI.

The unappropriated Receipts of the Fund, exceeding the sum of 2,000 Sicca Rupees, (to be reserved for current Expences), shall be vested in the Securities of Government, made payable to the Trustees of the Civil Fund, on Account of the Fund; and the Signatures of three of the Trustees of the Fund shall be requisite for the Transfer of such Securities, or to grant Discharges for the principal Amount thereof, but the Treasurer of the Fund shall be competent to pass Receipts for the Interest receivable thereupon

ARTICLE XII.

The Managers and Trustees of the Fund in India shall nominate such persons as may appear to them proper to act as Agents for the Fund in England; and any Money, that may be required for the Disbursements of the Fund in Europe, shall be remitted to the Agents in England, to be disposed of according to the Instructions they may, from time to time, receive from the Managers and Trustees of the Fund in India. A duplicate Copy of all Rules and Resolutions of a general nature, which may be passed relative to this Fund, shall also be transmitted to the Agents in England, for their information, and that of all Persons who may apply to them upon this subject.

ARTICLE XIII.

A quarterly general Meeting of the Subscribers to the Fund shall be held at the Presidency of Fort William, on the last Monday of the Months of January, April, July, and October, of each year; or, if any circumstance should occur to prevent the quarterly general Meetings being held on the days stated, the day of Meeting, in such cases shall be fixed by the Committee of Managers, and notified in the Calcutta Gazette. The Committee of Managers or any nine Members of the Institution, may also convene a special general Meeting at the Presidency by public Notice in the Calcutta Gazette, if at any time there shall be found occasion for it; provided that the days fixed for holding such special Meetings and the objects of them, be advertised at least six weeks before the same are held, for the general information of the Subscribers.

ARTICLE XIV.

All Questions proposed at a general Meeting, whether quarterly, or special, shall be determined by a Majority of votes. But the concurrent Voices of at least nine Members shall be requisite to determine upon any Question whatever and upon all general Questions, involving any Increase or Diminution of the Rate of Contribution now fixed, or any essential Addition to, or Alteration in, the original Rules and Principles of the institution which are now established, all Subscribers in India, who may not be able to attend the Meeting in person, shall be allowed to deliver their Sentiments and Votes by a written Communication, to be signed by them, and addressed to the Chairman of the Meeting.

ARTICLE XV.

The annual Accounts of the Fund shall be made up to the End of April, and submitted by the Trustees and Managers at the quarterly general Meeting of the Subscribers, to be held in the Month of July of each Year. After being approved by the Meeting, a general Statement of the Fund shall be published, for the Information of the Subscribers at large, in the Calcutta Gazette. A Committee of Managers and Trustees for the Fund shall, at the same Meeting, be appointed for the ensuing year; and shall, consist of the Chief Secre-

tary to the Government, the Accountant-General, the Sub-Treasurer, and the Civil Auditor, for the time being, with five other Members to be elected at the general Meeting.

ARTICLE XVI.

The Committee of Managers, or the majority of those present at a Meeting of five or more, or, if less than five be present, any three members of the Committee who may concur in Opinion, shall be competent to decide, in the first instance, upon all Matters relative to the Receipts and Disbursements of the Fund; as well as generally upon all Subjects connected with the Management of the Fund, and the due Execution of the Rules established for it, which, by such Rules, may not have been expressly reserved for Determination by the general Meetings of the Subscribers to the Fund. But the Decisions of the Committee of Managers, in all Cases, shall be liable to revision and control, by the Resolutions of the Subscribers duly passed at a regular general Meeting.

ARTICLE XVII.

The Committee of Managers, who may be appointed in the first instance, shall be authorized to appoint a Secretary and Accountant to the Fund, and to fix such Allowance for him payable from the Fund, as they may consider adequate to his services. The Officer so appointed shall act under the directions of the Committee of Managers, and shall also attend the general Meetings of the Subscribers; the Proceedings of which, and of the Committee of Managers, and generally all Papers appertaining to this Institution, which may not be intrusted to the Treasurer in India, or to the Agents in England, shall be kept under the charge of the Secretary and Accountant to the Fund; and shall, on application to him, or to the Committee of Managers, be open to the inspection of any of the Subscribers to the Fund.

ARTICLE XVIII.

All future Appointments to the Office of Secretary and Accountant to the Fund, as well as the appointment of any other persons whom the Managers may find it necessary to employ for the due execution of the Trust committed to them, shall in like manner be made, and their Allowances fixed by the Committee of Managers; subject as in all other cases, to the control of the general Meetings of the Subscribers.

ARTICLE XIX.

In the event of any of the five Managers, who may be elected annually, being subsequently removed from the Presidency without an intention of returning to it during the year of their Election, it shall be communicated to the Subscribers at the next general Meeting; and in such instances, as well as in all Instances of Vacancy in the Situation of Manager, by death or otherwise, a new Election, if it appear necessary, shall take place for the unexpired Part of the current Year.

ARTICLE XX.

All Applications for Admission to the Benefits of the Fund shall be made to the Committee of Managers; and be accompanied with the necessary Information, Documents, and Proofs, to enable the Committee to ascertain the Circumstances and Situation of the party in whose Behalf the Application is made. The Managers, after calling for any further Information or Evidence, which may appear to them requisite, are to submit the Application, with the whole of the Papers received by them, for the Determination of the Subscribers, at the next general Meeting. In Cases of Emergency and Distress, however, when the Managers may consider the Party for whom the Application is made, entitled to the benefit of the Fund, they are authorized to advance such Proportion of the fixed Allowances hereafter specified, as may appear to them indispensably requisite, till a Determination can be passed by the Subscribers.

ARTICLE XXI.

Until the Pleasure of the Honorable the Court of Directors shall be known upon the Point submitted to them, relative to such of their Civil Servants as may be under the Necessity of temporarily returning to Europe for the Recovery of their Health; and subsequently, if the Honorable Court shall not be pleased to exonerate the Civil Fund from this Part of the Charge upon it; any Subscriber to the Fund, who may be compelled by Sickness or Infirmity to quit his Station in India, and to proceed to Europe for the Recovery of his Health, and shall not be possessed of sufficient Means to pay for his Passage to Europe, and support himself and Family during his necessary Absence from India, on his making a Declaration upon Oath to this effect, or otherwise establishing the Fact, to the Satisfaction of a general Meeting of the Subscribers, and producing a Certificate of the Necessity of his Return to Europe, solemnly attested by the Surgeon who has attended him, and countersigned by a Member of the Medical Board, with the consequent Permission of Government for his Proceeding to Europe, shall receive from the Fund a Donation, equivalent to the Company's Allowance for a twelve Month to a Servant of his Rank when out of Employ, viz. if he be a Senior Merchant, 4000 Sicca Rupees; if a Junior Merchant, 3000 Sicca Rupees; if a Factor or Writer, 2000 Sicca Rupees. This Donation shall be considered to include all Claims upon the Fund for the Period of one Year after the Subscriber's Embarkation from India: at the Expiration of which Period, if he be in Europe, a further Donation shall be made to him, on his Application to the Agents for the Fund in England, equal to that advanced to him, upon his Embarkation from India, at the exchange Rate of two Shillings and six Pence for the Sicca Rupee; viz. £500, £375, or £250, according to his Rank in the Service at the time of his leaving India. This Donation shall be considered to include all Claims for the second Year after his Embarkation from India, with the

Expense of his Voyage back to India in the Event of his Returning at any Time in the Course of that Year, or of his prolonged Stay in Europe not being necessarily occasioned by the State of his Health. But should the imperfect Recovery of his Health, render it necessary to protract his Stay in Europe, beyond the second Year; and, besides his own Declaration upon Oath to this effect, he shall produce to the Agents for the Fund in England, a Certificate solemnly attested by a respectable Physician, or other professional Gentleman of established Practice, that the State of his Health has not admitted of his previous Return to India, he shall, at the Commencement of the third Year after his Embarkation from India, receive from the Agents in England a Donation equal to a Moiety of the Amount paid to him in the preceding Year: and another Moiety, on a similar Declaration and Certificate, at the end of six months, viz., two Years and a half after his Embarkation from India, if he be still in Europe, which shall include all Claims whatever upon the Fund to the period of his return to India. Passage Money may be granted, in Cases appearing to require it, in Addition to the Sums above specified; and in such Cases the Amount shall be determined by a general Meeting of the Subscribers. (Ceased when Furlough Rules commenced, viz 1825).

ARTICLE XXII.

The Donations from the Fund, in the Cases stated in the preceding Article, being meant to be restricted to persons who may not have the Means of supporting themselves and Families during their necessary Absence from India, for the Recovery of their Health; it is expected that if any Person, who may be admitted to the Benefit of the Fund, and consequently received from it the first Donation on his leaving India, shall afterwards succeed by inheritance, bequest, or otherwise, to the Possession of Property or Income, such as may enable him to maintain himself and Family without Assistance from the Fund, he will not apply for, or receive any subsequent Donation from the Fund in Europe. The Honor of the Parties will be a sufficient Security for the Fulfilment of this Expectation; which is founded on the Principle of rendering the Fund more capable of promoting the Purpose of its Institution, by restricting it to those Purposes; and no Scrutiny of Property shall therefore be made in Europe, to entitle any Subscriber, after his Admission to the Benefit of the Fund in India, to receive the Whole of the Donations provided for. But the Acknowledgment of the Party, receiving any Donation in Europe, shall declare his Receipt of it to be *bonâ fide* in conformity with the Rules and Principles of this Institution.

ARTICLE XXIII.

On the Death of any Subscriber to the Civil Fund, who may not be possessed of Property sufficient to provide for his Family, and may consequently leave a Wife, co-habiting with him, or maintained by him, and living under his Protection to the Period of his

Decease, without an adequate Provision for her Support, as hereafter specified, if on the Information, Documents, and Evidence which may be submitted by her, or in her behalf, to the Managers of the Fund, it shall appear to the Satisfaction of a general Meeting of the Subscribers, that she is a proper Object of the Fund, a Pension shall be assigned to her from the Fund, under the Provisions and Limitations stated in the following Article. Provided that nothing contained therein, or in any other part of the Rules for this Institution, shall be considered to entitle to the Benefits of it, any Widow, who may have been legally divorced or separated from her Husband for Adultery; or who, at the Period of her Husband's Demise, may have quitted his Protection, and be living in a State of notorious Adultery, though not divorced or separated from him by Law.

ARTICLE XXIV.

First. If the Widow, at the Time of her Husband's Death, be resident in India, and be left without an Income exceeding one hundred Rupees per Mensem, a Pension shall be assigned to her from the Fund, of three hundred Rupees per Mensem, during her Residence in India. If the Widow be not resident in India at the time of her Husband's Death, or shall afterwards quit India; and her Income, from her Husband's Estate or otherwise, shall not exceed one hundred Pounds per Annum, the Pension to be assigned to her from the Fund shall be three hundred Pounds per Annum.

Secondly. If the Income of the Widow, resident in India, at the Death of her Husband, be more than one hundred Sicca Rupees per Mensem, but shall not exceed four hundred Rupees per Mensem, during her residence in India; or if the Widow be not resident in India at the time of her Husband's Demise, or shall afterwards quit India, and her Income be more than one hundred Pounds per Annum, but shall not exceed four hundred Pounds per Annum, the Pension to be assigned to her from the Fund, shall be such as will make up her Income to four hundred Rupees per Mensem, during her residence in India, or four hundred Pounds per Annum in Europe, or elsewhere.

Thirdly. In the Event of a Widow, to whom a Pension may have been assigned from the Fund, acquiring subsequently by inheritance, bequest, or otherwise, any Property or Income which, with the Property left to her at her Husband's Decease, and the Pension received by her from the Fund, may render her total Income, including her Pension from the Fund, more than five hundred Rupees per Mensem, during her residence in India, or more than five hundred Pounds per Annum in Europe, or elsewhere, her Pension from the Fund shall be liable to abatement, in proportion to the Excess of her entire Income, including the Pension, above the Sum specified, or be altogether discontinued, in the Event of her Property or Income, exclusive of the Pension assigned to her from the Fund, being equal to the full Sum of five hundred Rupees per Mensem in India, or five hundred Pounds per Annum in Europe, or elsewhere

Fourthly. All Pensions to Widows shall also be liable to discontinuance on their Remarriage. But in the event of their being again left in a State of Widowhood, without an adequate Provision for their support, and of their appearing to be proper Objects of this Fund, they may be again admitted to the Benefits of it, under the same Provisions and Limitations as on their original Admission.

Fifthly. The Pensions to Widows, who may be admitted to the Benefits of the Fund, shall be paid in advance half yearly, to themselves or to their authorized Agents. But the acknowledgment of the Widow herself shall be taken for all sums paid in her behalf, and shall contain a solemn declaration that her entire Income, including the Pension received by her, does not exceed the Sum of five hundred Rupees per Mensem, if she be resident in India, or five hundred Pounds per Annum, if she reside in Europe or elsewhere.

ARTICLE XXV.

Widows who may be in India when admitted to the Benefit of the Fund, and may subsequently return to Europe, shall if they have no Means of paying for their passage to Europe, on this being established to the Satisfaction of a general Meeting of the Subscribers, be supplied from the Fund with such Sum as may appear requisite as passage Money, in Addition to the half year's advance of their Pension. (Ceased to be in force 1817).

ARTICLE XXVI.

If any Subscriber to the Fund shall die without the means of providing for his family, and shall consequently leave a Child or Children, born in wedlock, without an adequate Provision for their Maintenance and Education; and on the Information, Documents, or Evidence which may be submitted in their behalf to the Managers of the Fund, it shall appear to the Satisfaction of a general Meeting of the Subscribers, that they are proper Objects of the Fund, an Allowance for their Maintenance and Education shall be assigned from the Fund, under the Provisions and Limitations contained in the following Article.

ARTICLE XXVII.

First. If the Child or Children of the deceased Subscriber shall be left without any Provision, from his Estate or otherwise: the Allowance for the Education and Maintenance of each Child, to be granted from the Fund, in India or in Europe, shall be, according to the Age of the Child, as follows, viz.:—

Till five years of Age, thirty Rupees per Mensem in India; or thirty Pounds per Annum in Europe.

From the Commencement of the sixth Year, to the End of the eighth Year, forty Rupees per Mensem in India; or sixty Pounds per Annum in Europe.

From the commencement of the ninth year, to the End of eleventh year, fifty Rupees per Mensem in India; or eighty Pounds per annum in Europe.

From the commencement of the twelfth year, sixty Rupees per Mensem in India, or one hundred Pounds per Annum in Europe.

Secondly. If any Provision be left by a Subscriber for his Child or Children; or if, after his death, they shall at any Time become possessed of Property or Income, by inheritance, bequest, or otherwise; but not such as to afford the Sums specified for their Education and Maintenance; the Allowances to be granted from the Fund shall be such as, in addition to the Property or Income possessed by them, will make up the several Sums above specified, according to their respective Ages; and as they may be resident in India or in Europe.

Thirdly. In the Event of the Property or Income left to the Child or Children of a Subscriber, at his Demise, or which may subsequently devolve to, or be in any wise acquired by them, being such as to afford the full Amount specified, for their Education and Maintenance, they will not be entitled to any Allowance from the Fund, and any Allowances, which may have been granted before such Accession of Property or Income, shall be discontinued.

Fourthly. The Allowances granted from the Fund, for the Maintenance and Education of Children, shall be paid in advance half-yearly, to their Guardians or Relatives, having the care of them, or to such Persons as may be intrusted with the Disbursement of the Sums alloted for them, either by the Managers of the Fund in India, or by the Agents to the Fund in England, who shall from time to time, adopt such Measures as may appear necessary for the purpose of ascertaining any Accession of Property, which would render the Allowances from the Fund liable to abatement or discontinuance.

Fifthly. The Provision so made from the Fund, for the Maintenance and Education of Female Children, shall cease on their Marriage, or on their being settled in any Profession or Employment; and the Provission for Male Children shall cease on their being settled in any Profession or Employment, or on their attaining the age of twenty-one Years. But any requisite Sum, not exceeding five hundred Pounds may be appropriated to the Benefit of Male or Female Children by the Managers of the Fund in India; or under their Direction, by the Agents of the Fund in England, at the time of their Marriage, or of their being settled in any Profession.

ARTICLE XXVIII.

For Children who may be in India when admitted to the Fund, and who may be sent to England for their Education, with the Concurrence of the Managers, Passage Money, if requisite, shall be supplied from the Fund, not exceeding one thousand Sicca Rupees for each Child. An allowance for Passage Money, not exceeding one hundred Pounds, shall also be granted, if it appear necessary, for the Return to India of any Children admitted to the Fund, who, after completing their Education in Europe, may return to India with the Permission of the Honorable the Court of Directors. (Ceased to be in force 1817).

ARTICLE XXIX

It being the true Intent and Object of this Institution to provided for the Widows and Children of such only of the Subscribers to it, as may not at their Demise leave Property

sufficient for the Subsistence and Education of their Families; and it being the obvious Duty of all Persons who have Families, and possess Property sufficient to provide for them, to make a proper testamentary Provision for them: it shall be requisite, in all Cases of Application being made to the Fund for Assistance to the Family of a deceased Subscriber, that an authenticated Copy of the Will of the deceased, or if he shall have died intestate, that a full and authentic Statement of any Property left by him, and of the legal Heirs thereto, be submitted for the Information of the Managers and Subscribers. And it is hereby declared, that a general Meeting of the latter, duly held according to the Rules of the Institution, shall have full Power to reject the Application for Aid from the Fund, in any Instance wherein it may appear, that a Subscriber, leaving Property at his death, has made an improper Devise of it, with a view to throw his Family upon the Fund; or has purposely neglected to make a Disposition of his Property for the Benefit of his Family, whereby they have been left without a Provision, which it was in his Power to have made for them.

ARTICLE XXX.

It is further hereby declared, that the resolution of a second general Meeting of the Subscribers to this Fund, regularly held under the Rules now established, or which may be hereafter established for it, and confirming the Resolution of a former general Meeting, shall be final and conclusive in all Cases whatever.

ARTICLE XXXI.

A Subscription Book shall be immediately opened for the Signature of Subscribers to this Fund, and shall be deposited at the general Treasury. The whole of the Bengal covenanted Civil Servants now in India, as well as all covenanted Civil Servants of the Company on this Establishment, who may hereafter arrive in India, are invited to become members of the Institution; and, in token thereof, to sign the Subscription Book; or to cause their Names to be signed for them. Those who are now in India, and may subscribe to the Fund, shall be considered Subscribers to it from the first Day of January 1804. Those who may hereafter arrive in India, and subscribe to the Fund, shall be considered Subscribers from the time of their arrival at Fort William; or from the commencement of any Allowances receivable by them as Civil Servants of the Bengal Establishment.

ARTICLE XXXII.

Any Civil Servants now in India, who may not accept the Invitation thus given to them to become Members of this Institution, during the remaining Period of the current year 1804, and any Civil Servants hereafter arriving in India, who may not accept the Invitation given to them, within six Months after their arrival in India, shall not be afterwards admitted as Subscribers to the Fund, without sufficient Reason stated to the Satisfaction of a general Meeting of the Subscribers. Nor shall they, if then admitted to become Subscribers, be entitled to the Benefits of the Fund, without Payment of the Arrear of Contribution which

would have been payable by them if they had accepted the previous Invitation to become Subscribers, together with Interest thereupon at the Rate of ten per Cent. per Annum.

ARTICLE XXXIII.

All Persons now in the Company's Civil Service on this Establishment, as well as all Persons hereafter appointed to this Establishment, shall be at liberty at any time to withdraw their Names as Subscribers to the Fund, and to discontinue their Contributions; relinquishing at the same time all future Title, on the Part of themselves and their Families, to the Benefits of the Institution, and forfeiting to the Fund all Sums that may have been subscribed by them. But Persons withdrawing their Names and Contributions, during their Residence in India, shall not be re-admitted as Subscribers without sufficient Reason, stated to the Satisfaction of a general Meeting of the Subscribers; nor be entitled to the Benefits of the Institution without Payment of the Arrear of Contribution, which would have been payable by them if they had not discontinued their original Subscription, and Interest thereupon at the Rate of ten per Cent. per Annum.

ARTICLE XXXIV.

The Contribution of every Subscriber to the Fund shall cease upon his leaving India, to return to Europe, and the consequent Discontinuance of his Allowances from the Company. But in the event of his returning to India, and again receiving Allowances from the Company, he shall be required to renew his Contribution from the commencement of such Allowances.

ARTICLE XXXV.

If a Subscriber to the Fund, at the time of his retiring from the Service to return to Europe, shall have contributed, by his previous monthly Payments to the Fund, the principal Sum of five thousand Sicca Rupees; or if, on his quitting the Service, he shall pay to the Fund what may be wanting to complete his Contribution to that Amount; such Contribution shall entitle the Family of the Subscriber, on his Demise, to the Benefits of the Institution, under the several Provisions herein stated, or such as may be hereafter established, in like manner as if his Death had taken place during his Residence and actual Subscription to the Fund in India. The Family of any Subscriber to the Fund, who may die during his temporary Absence from India for the Recovery of his Health, shall also be considered entitled to the Benefits of the Fund, under the existing Rules of it, whether such Subscriber may have contributed more or less than five thousand Sicca Rupees. In all other Cases, if the deceased Member of the Institution shall not have been an actual Subscriber to the Fund at the time of his Death, and shall not have contributed five thousand Sicca Rupees to the Fund, it shall be at the Option of the Subscribers to admit his Family to the Benefits of the Fund or otherwise.

At a General Meeting of the Subscribers, held at the College of Fort William, on Monday the 28th April, 1806, the following Modifications and Alterations of the 32d and 33d Articles of the Original Plan, were unanimously agreed to:—

ARTICLE XXXII.

Any Civil Servant now in India who may not yet have subscribed to the Civil Fund, may become a Member of that Fund, at any time previously to the 1st of January, 1807, on intimating his wish to subscribe, and paying up the Arrears of his Subscription, with a premium of ten per Cent. on the Amount to cover the Interest, which would have accrued on it, had his Subscription been paid Monthly. But no Civil Servant of this Presidency now in India, who shall not avail himself of the option hereby given of becoming a Member of this Fund, before the 1st Jannary 1807, nor any Civil Servant hereafter arriving in India, who may not accept the Invitation given to him by the preceding Article (31) within six months after his arrival in India, shall after these respective periods, be admitted on any plea or excuse whatever, to become a Subscriber to the Civil Fund.

ARTICLE XXXIII.

Resolved, that the following part be expunged, "But Persons withdrawing their Names and Contributions, during their Residence in India, shall not be re-admitted as Subscribers, without sufficient reason stated to the satisfaction of a General Meeting of the Subscribers; nor be entitled to the benefits of the Institution, without payment of the Arrear of Contribution, which would have been payable by them, if they had not discontinued their original Subscription, and Interest thereupon at the rate of ten per Cent. per Annum."

Additional Articles to the Plan for the Civil Fund, agreed to by a Majority of the Subscribers, and confirmed by the General Meeting held at the College of Fort William, on the 10th August, 1807.

ARTICLE XXXVI.

If a Subscriber to the Fund shall be dismissed from the service of the Honorable Company, he shall cease to be entitled to the benefits of the Institution, and in the event of his Death his Widow and Children shall in like manner have no claim to the benefits of the Institution. But in such case, the Amount of his actual Contribution to the Fund, shall be returned to him with Interest at the rate of ten per Cent. per Annum. (Rescinded 1820.)

ARTICLE XXXVII.

If a Subscriber to the Fund shall be suspended from the Service of the Honorable

Company, he shall during the period of his suspension, cease to be entitled in his own person to the benefits of the Institution; but in the event of his restoration to the Service, he shall be restored to his former right to the benefits of the Institution. (Rescinded 1820.)

ARTICLE XXXVIII.

A Subscriber suspended from the Service, shall, however, have the Option of receiving back the Amount of his Contributions, in the same manner as in the case of persons finally dismissed from the Service; but if he should take advantage of this clause, he shall cease to be entitled to the Benefits of the Institution, either for himself or Family, as in the Case of Persons finally dismissed from the Service. (Rescinded 1820.)

ARTICLE XXXIX.

If a Subscriber to the Fund, being suspended from the Service of the Honorable Company, shall die during the Period of his Suspension, his Widow and Children shall be entitled to the full Benefits of the Institution, excepting in the case of his receiving back the Amount of his Contributions, in which case his Widow and Children shall have no claim to the Benefits of the Institution. (Rescinded 1820.)

Additional Article, circulated for information of the Service in September 1808.

Any Civil Servant, now in India, who may not yet have subscribed to the Civil Fund, may become a Member of that Fund at any time previously to the 1st of May 1809, on intimating his wish to subscribe, and paying up the arrears of his subscription, with a premium of Ten per cent. on the amount to cover the interest which would have accrued on it, had his subscription been paid monthly. But no Civil Servant of this Presidency now in India who shall not avail himself of the option hereby given of becoming a member of this Fund before the 1st of May 1809, nor any Civil Servant hereafter arriving in India, who may not accept the invitation given to him by Article 31 of the printed plan within six Months after his arrival in India, shall not, after these respective periods, be admitted on any plea or excuse whatever, to become a Subscriber to the Civil Fund.

Additional Articles to the Plan of the Civil Fund, agreed to by a Majority of the Subscribers, and confirmed by the General Quarterly Meeting of Subscribers held at the Accountant-General's Office, on the 31st July, 1820.

ARTICLE XL.

Art. XXXVI., XXXVII., XXXVIII., and XXXIX. of Rules of the Bengal Civil Fund are rescinded.

ARTICLE XLI.

If a Subscriber to the Fund shall be dismissed from the service of the Honorable Com-

pany, he shall cease to be entitled to the benefits of the Institution, and, in the event of his death, his widow and children shall in like manner have no claim to the benefits of the Institution. But on his dismissal, the Amount of his actual contribution to the Fund, without Interest, shall be returned to him; unless his circumstances should be such as would have wholly precluded him, and his family, from any benefit derivable from the Institution, if he had remained a Member; in which case, he shall not be entitled to receive back any part of the amount contributed by him.

ARTICLE XLII.

If a Subscriber to the Fund shall be suspended from the service of the Honorable Company, he shall, during the period of his suspension, cease to be entitled in his own person to the benefits of the Institution; but in the event of his restoration to the Service, he shall be restored to his former right, to the benefits of the Institution; and if such Subscribers shall die during the period of his suspension, his widow and children shall be entitled to the benefits of the Institution, in like manner as if he had not been suspended.

ARTICLE XLIII.

If a married Subscriber to the Fund shall, after the 1st day of January 1823, proceed to Europe, otherwise than under Medical Certificate, and as an incumbent upon the Funds of the Institution, it shall be optional with such Subscriber, in order to secure to his Family the Benefits of the Institution, in the event of his Death, while absent from India, either to make up his subscription, to the sum of Sicca Rupees 5,000, agreeably to Article 35, or to secure a continuance of the payment here, during his life of a Monthly Subscription to the Fund, at the average rate paid by the Subscribers, of the same years' standing upon the Civil List. Provided however, that no Subscriber shall be permitted to avail himself of the above Rule for a period exceeding five years from the date of his departure, nor will any Subscription at the average rate be received after the expiration of that period. Provided further, that in case the average payments above described shall be discontinued, for the period of one year consecutively, the same shall be held and deemed to be a resignation and abandonment of the Institution, and the Family of the Subscriber shall not have any claim upon the Fund, upon payment of the Arrears due, except upon good and sufficient cause for the omission being shown to the satisfaction of a General Quarterly Meeting of the Subscribers.

ARTICLE XLIV.

"That from this date, 5th November 1823, "the Allowance drawn from the Fund by the "Civil Servants proceeding to Europe on Sick "Certificate be recoverable from them on their "return to the Service, without Interest, by "monthly instalments not less than three times "the amount of their monthly subscriptions "while out of employ, or receiving less than "1,000 Rupees per Mensem, and not less than

"ten per Cent. on their Salary and other al-
"lowance when drawing 1,000 Rupees per
"Mensem or upwards."

Extract of a Rule. At a Special Meeting of the Managers of the Civil Fund, held at the Town Hall, on Saturday, the 9th day of January, 1830.

8th.—Resolved moreover, that in future all parties now, or hereafter becoming dependant on the Fund, or the natural or appointed guardians of such parties, be required on the receipt of their half year's stipend, to declare solemnly on oath that they are not possessed of, nor in the receipt of, directly or indirectly, any income or property whatsoever derivable from any source whatsoever except from the Fund. (Rescinded 1831.

The above Rule was rescinded at a special Meeting of the Subscribers to the Civil Fund, held at the Town-Hall, Calcutta, on Saturday, the 30th day of April, 1831.

Additional Articles to the Plan for the Civil Fund, agreed to at the General Quarterly Meeting of the Subscribers, held at the Town Hall, on Monday, the 30th April, 1832.

ARTICLE XLV.

In addition to the information required by the 29th Article of the Rules of the Bengal Civil Fund to be furnished to the Managers before any allowance shall be granted from that Fund to a widow; an oath shall be taken and subscribed according to such of the subjoined Forms as may be applicable to the circumstances of the case.

1st. If the widow shall not have any offspring by the deceased, and shall not be possessed of any income except such as may be derivable from personal property, the oath to be taken shall be according to the Form A as follows:

Form of Declaration A.

I, *A. B.* (of the age of years,) now resident at , the widow of *C. D.*, formerly a Civil Servant on the Bengal Establishment in the East Indies, do hereby upon oath declare, that I am not at this time possessed of or entitled to any property from which I can derive the smallest income, with the exception of the personal property, of which a rough schedule is annexed; and that with the exception stated, my sole dependance for support is on the annuity to be granted to me from the Civil Fund of that Establishment.

Sworn before me, &c. &c. } So help me God.

The above affidavit is to be accompanied by a rough schedule of any personal property possessed by the widow, and of its estimated value, under the general heads of valuable plate, household furniture, equipages, &c.; but without any more detailed statement, and shewing the estimated total amount possessed by the widow, after payment of any debts for which such property may be liable.

2d. If the widow shall have any child or children living by her late husband, or if any child of his shall afterwards be born, and neither she nor they shall be possessd of any income except such as may be derivable from personal property, the oath to be taken shall be according to the form B as follows:

Form of Declaration B.

I, *A. B.* (of the age of years), now residing at , the widow of *C. D.*, formerly a Civil Servant on the Bengal Establishment in the East Indies, do hereby upon oath declare, that the said C. D. left surviving him one child* named now alive, and of the age of years, (or if more than one child, their names and several ages to be stated;) and that I am not, nor is the said child (or children) at this time possessed of or entitled to any property from which I or the said child (or children) can derive the smallest income, with the exception of the personal property of which a rough schedule is annexed; and that with the exception stated, my sole dependance and that of the said child (or children) for support is on the annuities to be granted to me and to the said child (or children) from the Civil Fund of that Establishment.

Sworn before me, &c. &c. } So help me God.

Here a schedule of property to be annexed, as in form A.

3dly. If the widow shall possess or be entitled to any income exclusive of such as may be derivable from personal property, then shall be substituted for either of the preceding forms the form of oath C, as follows:

Form of Declaration C.

I, *A. B.*, of the age of years, (describing her residence and naming her husband as before) do hereby upon oath declare that the said *C. D.* left surviving him one child named now alive and of the age of years (or if more than one child, state their several names and ages;) and that neither I nor my child (or children) above named are at this time possessed of or entitled to any property yielding or capable of yielding a greater annual income than pounds sterling; and I do further upon oath declare, that the sources of the said annual income are truly stated below, and that beyond the amount which may be thence derived, the sole support of myself and of the said child (or children) is the assistance I expect to receive from the Civil Fund of that Establishment.

Sworn before me, &c. &c. } So help me God.

3657

Here state the sources from which such income may be derived.

* If the child shall have been born after the death of its father, the following words to be inserted after the word child.
"Born on (dated) and named."

ARTICLE XLVI.

Whatever legally disposable property, whether consisting of valuables, plate, household furniture, equipages, or other description, capable of being made to yield an Income, and whether real or personal, of which a widow may be possessed at the time of her application for admission to the benefits of the Civil Fund whether such property shall have been left to her by her husband or shall have been otherwise acquired, being in excess of the estimated value or amount of £2,000 (two thousand pounds) sterling, shall be regarded as an available source of income, and as such shall be taken into account at a just valuation, or according to the amount realizable by public sale, in fixing the allowance to be granted to such widow from the Civil Fund, the income derivable from such property being calculated at a rate of interest of 5 per cent. per annum.

ARTICLE XLVII.

The declaration which, by the 5th Clause of the 24th Article, is required to be made half-yearly by widows who may be admitted to the benefits of the Fund, shall be according to the subjoined form D; and in case a widow shall have acquired property subsequently to the date of her admission to the benefits of the Fund, a specification thereof shall be subjoined to that affidavit.

Form of Declaration D.

I, *A.*, *B.* now residing at , widow of *C. D.* formerly a Civil Servant on the Establishment of Bengal in the East Indies, do hereby upon oath declare that I have not become possessed of any property or income since the date when the annuity was granted to me from the Civil Fund of that Establishment, except such as is below specified; and that my entire income, including the Pension received from that Fund, does not at this time exceed Sa. Rs. or pounds sterling £

Sworn before me, &c. &c. } So help me God.

Here to be specified any property yielding or capable of yielding an income since acquired or if none acquired, to be so specified.

ARTICLE XLVIII.

The mother, guardian, or other person who may be in charge of any child or children entitled to an annuity under the several Articles of the 27th Rule, or any other person who may be authorized to receive the same on account of such child or children, before he, she, or they shall be enabled to receive the annuity payable or any part thereof, shall take and subscribe an oath according to the subjoined form E; or if such child or children shall have become entitled to any property yielding an income, the same shall be specified as provided in that form.

FORM OF DECLARATION E.

I, *A. B.* (mother, guardian, or relative) of the child (or children) of *C. D.*, formerly a Civil Servant on the Establishment of Bengal in the East Indies, do hereby make oath and declare that (here enter at full length the names and ages of the child or children of the deceased) a child (or children) of the said C. D. is (or are) at this time alive, and that to the best of my knowledge and belief he (or she) has (or they have) not (nor has either or any of them) to this day become entitled to or possessed of any additional property or income since the date when the annuity (or annuities) was (or were) first granted to him (or her or them) from the Civil Fund of that Establishment, excepting such as is below specified.

Sworn before me, &c. &c. } So help me God.

Here to be specified as in form D.

ARTICLE XLIX.

The several oaths above required to be taken, shall be sworn to before a Justice of the Peace or other person competent to administer the same, and such affidavit shall be dated and signed on or subsequent to the day on which the annuity is claimable; and shall, in the event of such widow, guardian, or other person entitled to receive the same being in Europe, be delivered to and left with the Agents in London for the said Fund, or if such widow shall be in India, it shall be delivered to and left with the Managers and Trustees of the Fund for the time being.

Extracts from Correspondence.

Letter from the Government of India to the Managers and Trustees for the Civil Fund (established on the 1st of October 1804) dated 16th January 1805.

I am directed by His Excellency the Most Noble the Governor-General in Council to acknowledge the receipt of your letter dated the 4th October 1804, with the papers to which it refers.

2. His Excellency in Council entirely approves the principles on which the Fund, described in your letter "for the benefit of the widows and of the children born in wedlock, of such of the Subscribers as may die in indigent circumstances, and for the benefit of any of the Subscribers who may be compelled by sickness or infirmity to proceed to Europe without possessing adequate means of support" has been established.

3. The officers of Government described in the 15th Article of the Plan for the establishment of the Civil Fund will accordingly be authorized to Officiate as Managers and Trustees for the Fund, and otherwise to contribute their assistance in facilitating the means of carrying the Plan into effect, and the institution will be recommended by the next despatch to the countenance and support of the Hon'ble the Court of Directors.

Letter from the Managers, to the Chief Secretary to the Government of India, dated 2nd February 1805.

Having been honored with the approbation of His Excellency in Council to the General Plan submitted by us for the establishment of a Civil Fund, we now beg leave to transmit the arrangement proposed for keeping the accounts of the Institution, with a request that you will be pleased to solicit His Lordship's authority to the several Departments and Public Officers for carrying the same into execution.

Letter from the Government of India, to the Managers and Trustees for the Civil Fund (established on the 1st of October 1804) dated 14th February 1805.

I am directed by His Excellency the Most Noble the Governor-General in Council to acknowledge the receipt of your letter under date the 2nd instant.

2nd.—The arrangement proposed for conducting the transactions of the Civil Fund with Government is approved by His Excellency in Council, and the necessary orders have been communicated to the several Departments and Public Officers for carrying the same into execution.

From the Collector of Benares, to the Trustees and Managers of the Civil Fund, dated the 18th March 1805.

Having received the orders of His Excellency the Most Noble the Governor-General in Council, under date the 28th February last, to make monthly stoppages from the *Salaries, Commissions,* and *Allowances* of the Subscribers to the Civil Fund, I have to request to be furnished with a list of the Subscribers, to enable me to carry the orders of His Excellency in Council into execution.

Balance in the Hon'ble Company's Treasury. Fund proceeds how invested, on 30th September 1805, viz. :—

In *eight* per cent. Govt. Securities.					
1st Nov.	1,800	Rs.	10,000	0	0
1st April	1,805	,,	1,000	0	0
1st Sept.	,,	,,	11,800	0	0
In *ten* per cent. for 2 years do.					
21st. Sept.	,,	,,	2,700	0	0
Treasury order applied for, not yet received ...	...	,,	6,316	5	4
Cash unappropriated	...	,,	115	13	1
			Rs. 31,932	2	5

Extract from a Public General Letter from the Hon'ble the Court of Directors, dated the 28th February 1806.

139. We have taken into our consideration the regulations adopted by our Covenanted Civil Servants at your Presidency, with a view to establish a Fund for the support of widows and children, born in wedlock, of such subscribers as may die in indigent circumstances, and also for the maintenance of such of our Civil Servants (being members of the Fund) as may be under the necessity of returning to England for a limited period, for the recovery of health, without an adequate provision for their support.

140. We have ever been disposed to consider, with humane attention, the situation and circumstances of such of our Civil Servants as might, from mental or bodily infirmities, become disqualified for active service before they had acquired a provision necessary for retirement. But when we consider the advantages attached to the Civil Establishments under our several Presidencies in India, which certainly afford to our servants employed therein, within a reasonable period of service, a prospect of returning to their native country with at least a moderate independence, we cannot feel ourselves justified in acceding to a proposition of such magnitude as that which is contained in the 2nd and 3rd Articles of the plan now before us, wherein we are solicited to make a provision for such of our servants as may, after a lengthened residence in India, be disposed to retire from our service, and also to allow those who may be compelled to return to England for the recovery of health to draw, for the period of 3 years after quitting India, the allowance granted by us to servants out of employ. But we are of opinion, that both these cases are proper and important objects of the proposed Civil Fund. To a Fund of the same nature, established at Fort St. George, we have given our sanction and support. The plan of that Fund, in addition to the benefits it provides for the widows and legitimate children of indigent members, makes also an ample provision for retirement of a certain number of our Civil Servants at that Presidency, as well as for the maintenance of such as may be compelled from sickness to return for a limited period to England. And if the Bengal Civil Fund is constituted upon the same principles, we shall have great pleasure in contributing also to its augmentation.

141. We regret, however, that, in the papers to which you have referred us, we do not find any statement or calculation to enable us to judge of the estimated amount of the fund derivable from the Members, nor of the demands which it will be called upon to meet. We must, therefore, be furnished with information on these necessary points, before we can determine to what extent it will be proper for the Company to subscribe towards the support of such an Institution.

142. We cannot, in the mean time, avoid remarking that the rate of subscription proposed by the 7th Article of the Regulations now under our consideration, appears to us by no means equal to the rate established in the Fort St. George plan, nor equal to the subscription to which our Civil Servants at Bombay have agreed for the support of a Fund of the same nature now about to be established at that Presidency.

143. In the Madras Deed of 1787, we observe the Fund established at that presidency was to accumulate for 3 years before any benefit could be derived by the subscribers, and a regulation to the same effect has been agreed to at Bombay, for which purpose a subscription of 5 per cent. per annum on salaries and allowances is required, although after that period the subscription to the Fund is only rated at 2 per cent. per annum, with this addition that if a subscriber is under the absolute necessity of leaving India before the expiration of the 3 years in which the Fund is to accumulate, and wants assistance to defray his passage to Europe, an additional percentage is to be levied on the subscribers. We therefore are of opinion it would be a great improvement of the Bengal plan if something of the same kind were incorporated in it.

144. We feel it also proper to remark that the scale upon which the contribution is to be levied for the Fund at your Presidency is by no means sufficiently defined, and we are of opinion, that it would be much more eligible to determine on a certain percentage, to be deducted from the salary and allowances of each subscriber according to their actual amount.

145. Another point to which we wish to call your attention is that, in the regulations adopted at your Presidency there does not appear to be any distinction made between persons retiring honorably from the service and such as may be in a state of suspension or dismission from it. To induce the Company to become contributors, we therefore require, as an indispensable rule, that no person dismissed our service, or under suspension, be admitted to a participation of the benefits of this Fund.

146. The provision made for the benefit of widows and children *born in wedlock* of such of our Civil Servants as may die in indigent circumstances, meets with our entire approbation, and should the suggestions we have here thrown out have the desired effect, by assimilating the Bengal Fund more to that established at Madras, the institution will be assured of our protection and support.

147. We think it necessary, however, to remark that Article 8th of the regulations for the establishment of this Fund, appears to have been omitted in the copy entered on your consultations of 24th January 1805. As we are consequently ignorant of the stipulations of this Article, it is to be understood that nothing contained in the foregoing paragraphs is to be interpreted as containing our approbation of its contents which must be considered open for future observation if necessary.

Letter from the Trustees and Managers of the Civil Fund, to the Chief Secretary to the Government of India, dated August 1806.

First. We have the honor to acknowledge the receipt of your letter of the 17th July, transmitting an extract from a general letter, under date the 28th February 1806, from the Hon'ble the Court of Directors to the Hon'ble the Governor-General in Council, on the subject of the application for

protection and support, submitted by the Subscribers to the Bengal Civil Fund to the Hon'ble Court. We laid the extract before a General Meeting of the Civil Servants at the Presidency on the 28th ultimo; and on that occasion a Select Committee was appointed for the consideration of the sentiments and suggestions contained in that document.

Second. The Committee proceeded to examine the subject attentively, with reference to all the papers of the Bengal, Madras and Bombay Civil Funds, which are in our possession. The deliberations of that Committee have received the approbation of a subsequent General Meeting held on the 23rd August 1806, and we are directed to submit, in behalf of the Subscribers to the Civil Fund of this establishment, the following remarks, with a respectful solicitation to the Hon'ble the Governor-General in Council, that he will be pleased to transmit them to the Hon'ble the Court of Directors.

Third. We acknowledge with gratitude the favorable disposition expressed by the Hon'ble Court to afford their protection and support to the Civil Fund, and the approbation which the Hon'ble Court have signified of the general principles and objects of the institution, affords the most satisfactory conviction that they will not withhold from the institution the benefit of their liberal assistance and encouragement.

Fourth. Before we submit our reply to the several paragraphs of the extract from the letter from the Hon'ble the Court of Directors, we beg leave to state, for the consideration of the Hon'ble Court, some few observations on the subject of a provision for the retirement of Civil Servants. The exclusion of this provision from the objects of the Civil Fund has not received the approbation of the Hon'ble Court. We trust that we shall not be considered to deviate from the profound respect and deference which we entertain for the Hon'ble Court, in submitting for their consideration a statement of the arguments which operated at the foundation of the Civil Fund in Bengal to exclude such a provision.

Fifth. When the proposal for the establishment of a Civil Fund in Bengal first came under discussion, the plan of the Madras Civil Fund was taken as a basis, and all the parts of it were examined and discussed.

Sixth. But the utility of the establishment of a Civil Fund in Bengal had been suggested solely by the occasional occurrence of cases of misfortune, which, for want of assistance, were attended with lamentable consequences. It was therefore, after mature deliberation, decided, that the Civil Fund at this establishment should be instituted exclusively for the relief of distress. This was the original and ruling principle of the Fund, and by the plan agreed upon, the following became the objects to which relief was to be extended:—The needy widow and orphan, the sick who might not have the means of recruiting their health by a voyage to a more genial clime, and the indigent and helpless infirm. Such cases of afflicting distress were not unfrequently before our view; the want of alleviation was grievously felt, and the interests of humanity demanded a remedy for the evil.

Seventh. A provision for the retirement of Senior Servants seemed to be a fund of a distinct nature, framed on principles of indiscriminate advantage to all subscribers, benefiting equally the rich and the poor, the infirm and able, for which there existed no necessity, and the advantages of which could never be put in competition with the important and benevolent purposes for which this institution

was established. Such an extension of the objects of the Fund would, it appeared, require a large accumulation of capital, and a very large monthly subscription. It was doubtful that the Civil Servants would be induced immediately to agree to the large contribution which they would be called upon to make. At all events, the necessary accumulation of capital would, it was thought, suspend the charitable operations of the Fund for several years, and would consequently prevent that relief of distress which was the primary and sole object of the institution. It seemed to be particularly desirable that that relief should be afforded without delay, and with the least possible pressure on the subscribers. The establishment of a Pension List would have interfered with both these desirable objects. It was found that the pensions granted by the Madras Fund had become by far the largest demand upon the resources of that Fund, and it was calculated that, to establish a similar provision with effect in Bengal, would require a contribution equal at least to three times the present rate.

Eighth. It may be said that these considerations are counterbalanced by the advantages of a Pension Fund, but of the advantages of such an establishment a great majority of the Civil Servants were not convinced. It was agreed that every Civil Servant might hope to possess, after a lengthened period of service, a moderate independence, and that it was needless to establish pensions except for such as laboured under particular misfortune, infirmity, and indigence.

Ninth. An Annuity Fund, similar to that existing at Madras, was recommended as a mode of enabling the Civil Servants to return to their native country at an earlier period than that at which they now return, but it did not seem to be certain that it would have this effect, for it was considered that it must frequently happen that the tender of a pension would be accepted by one who was predetermined to resign and retire. In such a case, the contributions of the Civil Servants would be needlessly appropriated to augment a fortune already competent. And it would more frequently happen that gentlemen possessing a competency and desirous of retiring, would be induced to procrastinate their departure, through successive years, in expectation of this addition to their other accumulations. Thus this proposed advantage of the scheme would not be obtained.

Tenth. The advantages, therefore, of the proposed Pension Fund did not seem to be such as would counterbalance the objections urged against it; and it was believed that the interests of humanity and the purposes of our institution would be promoted by an immediate application of our means to the relief of distress, and would proportionably be injured by the suspension of that relief with a view to an indiscriminate provision for the retirement of Senior Civil Servants.

Eleventh. Such were the reasons which operated during the deliberations preceding the establishment of the Fund at this settlement, to confine it to the objects for which it is at present intended to provide. Although the Hon'ble Court may not consider these arguments to be conclusive or satisfactory, we are confident that they will view the motives which determined the conduct of their servants on this establishment with liberal indulgence.

Twelfth. In this place we beg leave to declare that we have no intention nor desire to call in question the merits of any part of the benevolent and laudable institution which has existed for many years at Madras with excellent effect, and on the example of which the institution now existing

in Bengal has been founded. We conceive that every Society will govern its institution by those considerations which strike most forcibly the minds of its members; and it is not surprising that two extensive Societies should entertain different sentiments on some of the arrangements of extensive institutions.

Thirteenth. Notwithstanding the weight which the foregoing reasoning has had with the subscribers to the Bengal Civil Fund, we have no doubt that all would feel every inclination to conform to the suggestions of the Hon'ble Court, but new obstacles now exist, arising from the actual circumstances of the Fund, which we submit with humility to the notice of the Hon'ble Court.

Fourteenth. The Civil Fund has commenced its operations, and now supports one widow and two children; also three Civil Servants in England for the recovery of their health. The addition of the indiscriminate Pension List would require a large capital which it would be necessary to accumulate, either by suspending the operations of the Fund for a number of years, or by raising a large sum by immediate subscription. The suspension of the operations would we fear involve the destruction of the institution. The objects which now experience the benevolence of the Fund could not be cast off without a violation of a sacred engagement; moreover, the subscribers cannot be expected to acquiesce in the suspension of all the proposed purposes of the Civil Fund, in order to raise a Fund for a distinct and different object.

Fifteenth. An attempt to raise a large immediate subscription for a capital, and to make, as would be necessary, a large increase to the monthly rate of subscription, would also we fear risk the stability of the institution. The Bengal Servants agreed to subscribe a moderate share of their allowances for the relief of certain definite objects of distress, and there are many who subscribe solely on public principles, who cannot expect to benefit in any manner by the Fund; but it could not be expected that they would agree to a large immediate subscription, and a large increase of their monthly subscription, both of which would be necessary if the Pension List should operate immediately for a purpose to which they originally objected.

Sixteenth. The advantages proposed by the existing establishment are undoubted, manifest, and immediate; the ultimate advantages to be derived from an indiscriminate Pension Fund are, in this settlement, considered to be problematical. We do therefore think that, under a consideration of the recent establishment of this institution, it is unadvisable to agitate at present the question of a provision which, if introduced, must lead to a positive and considerable increase of expense, and must effect a complete alteration of the original principles upon which the Fund was established.

Seventeenth.—The documents which have been before us lead to the observation that a Pension List was not added to the objects of the Madras Civil Fund, until that Fund had flourished for thirteen years, three of which were exclusively devoted to the accumulation of a capital, and during the whole thirteen years the Fund had received the support of the Court of Directors. In the course of that period, the Fund acquired such riches that it could well afford to increase its expenses, and it become a matter of enquiry how its superfluous income should be appropriated. Even then an additional contribution was upon the subscribers.

Eighteenth.—It is also to be remarked that the subscription to the Bengal Civil Fund is not universal, and that many of the Senior Servants do not subscribe. An Annuity Fund, therefore, for the Senior Servants who do subscribe would be too partial an

nstitution to effect the general purposes which the Hon'ble Court doubtless have in view, and is moreover objectionable because gentlemen who do not subscribe would receive the benefit to be derived from the retirement of those Servants who might be induced to accept the pension. In reply to this, it may be urged that the provision of a pension would induce all the Senior Servants to become subscribers to the Fund, as they would derive immediate benefit from it. That some would be induced by this consideration is more than probable, but, we apprehend, to establish a pension not only that the introduction of such a provision into the Civil Fund, necessarily involving a considerable increase of the rate of subscription would cause the majority of the present Subscribers to withdraw themselves from the institution, but that the majority of those Senior Servants who are not subscribers to the Fund would continue to withhold their support. In the discussions preceding the institution, there was a wide difference of opinion on a particular point, which will be adverted to in a subsequent part of this letter, which produced a schism which we cannot expect to be repaired by any proposal.

Nineteenth.—We may indeed with confidence expect that the number of those who are not subscribers will gradually decrease, and we have every reason to hope that eventually the subscription will be general. When that desirable event is brought about, these particular observations will cease to be applicable to the subject, but until that period, they must be found, we believe, to merit.

Twentieth.—Whatever may be the ultimate decision of the Hon'ble Court on the merits of the arguments which originally induced the Civil Servants of this establishment to form a Fund without a Pension List, we trust that the various considerations which we have stated will satisfy the Hon'ble Court that the Fund is not at present equal to undertake such an extensive arrangement as the provision for the retirement of Senior Civil Servants indiscriminately.

Twenty-first.—Nothing that has been said on this subject will we hope be considered to proceed from a design to object to a provision from the Civil Fund for such of the Civil Servants as may be compelled by infirmity to relinquish their prospects in the Company's Service, and retire to their native country without a provision for themselves and families; such a provision is not only consistent with the original principle of the Fund, the relief of distress, but was particularly in contemplation at the period of the institution of the Fund, and the desire to secure such a provision was the foundation of the 2nd Article of the plan, on which we intend to submit some remarks in a subsequent part of this letter.

Twenty-second. We now beg leave to reply, most humbly and respectfully, to the several paragraphs of the extract from the General Letter from the Hon'ble Court.

Twenty-third. In the 2nd paragraph (paragraph 140) the Hon'ble Court observe that they cannot accede to the proposition contained in the 2nd Article of the Plan of the Fund, wherein they are solicited to make a provision for such of their servants as may, after a lengthened residence in India be disposed to retire from their service. We humbly presume to represent that it was never intended to make such a proposition to the Hon'ble Court. The provision solicited was (in the words of the 2nd Article of the plan) for such of the Civil Servants as may, after a lengthened residence in India, be compelled by infirmity to relinquish their prospects in the Company's service, and

retire to their native country without a provision for themselves and families. The Hon'ble Court have declared their disposition to consider, with humane attention, the case of Civil Servants who may be so situated. We rely with confidence on the known liberality and humanity of the Hon'ble Court, until the confirmed prosperity of the Fund shall enable it to extend its relief to such cases; and we think this a fit opportunity to declare that it has always been, and is, in contemplation to make this provision whenever the circumstances of the Fund are such, that it can be undertaken without the risk of sacrificing the more immediate and pressing objects of the institution. In the same paragraph, the Hon'ble Court have declared that they cannot accede to the proposition contained in the 3rd Article of the Plan, wherein they are solicited to allow those who may be compelled to return to England for the recovery of health, to draw for the period of three years after quitting India the allowance granted by them to servants out of employ. It rests, therefore, with the Civil Fund to provide relief for such cases, and we beg leave to state that, during the period which has elapsed since the transmission of the proposition to the Hon'ble Court, the Fund has given relief to all cases of this nature which have required it, and now supports three Civil Servants who are in England for the recovery of their health.

Twenty-fourth (Para 141.)—It would have been impossible, in the first instance, to furnish the statements which the Hon'ble Court have required, for the number of subscribers could not be calculated. An account of the present state of the Fund and of the existing demands upon it, will accompany this letter, which document will, we trust, afford satisfactory information. As the demands upon the Fund will ever depend upon casualties and uncontrolable events, we must consequently be unable to form any accurate estimate thereof.

Twenty-fifth (Para 142.) We acknowledge the justice of the observation of the Hon'ble Court. We state, with the utmost deference, that the rate of subscription is sufficient to answer the purposes of the Fund, if the Hon'ble Court will be pleased to add their support. At the same time it is our duty to state, that, without the support of the Hon'ble Court, the Fund cannot venture to afford complete relief to those cases of distress which are already embraced by the institution. We have been compelled to refuse passage-money in the case of persons proceeding to Europe for the recovery of health. The rate established at Fort St. George and Bombay is with a view to the additional provision of a Pension List.

26 (Para 143).—The Bengal Fund commenced its operations immediately after its establishment, because the necessity of giving relief to certain cases of distress had been long felt, and because it was calculated that the Fund would be able to afford that relief immediately, and would flourish, with the assistance of the Hon'ble Court without the suspension of its operations to effect the accumulation of a capital. The establishment of a Fund for pensions to Senior Servants was not included in this calculation, and if the original purposes of the institution are alone considered, it will be found that the Fund will be competent to meet the demands upon it, provided the Hon'ble Court will be pleased to grant to it support and encouragement.

27 (Para 144).—The scale upon which the contribution is at present levied was instituted in order to simplify the accounts. It was intended to raise a contribution equal to one per cent. upon the aggregate amount of the income of the subscribers. The present rate produces more. It would be very inconvenient now to change the scale, otherwise

we should immediately adopt the suggestion of the Hon'ble Court; and we trust, as no apparent evil is likely to arise from the continuance of the present scale, that the Hon'ble Court will not disapprove the arrangement; and we beg leave to remark that the same principle has been established for levying subscriptions in the amended rules of the Bombay Civil Fund.

28 (Para 145).—We are persuaded that this requisition will be received with prompt and willing obedience by all the Subscribers; and we take this opportunity to assure the Hon'ble Court that it has never been in contemplation to extend the benefits of the institution to persons guilty of dishonorable or dishonest practices. It appears that the necessity of framing such a regulation has been overlooked. A regulation has now been made by a General Meeting of Subscribers in Calcutta, similar in design to one which exists in the Madras Civil Fund to which the Hon'ble Court has given its entire approbation. A copy of the proceedings on that occasion accompanies this letter, and we trust that the Hon'ble Court will approve the regulation, which is calculated, we hope, equally to secure the ends of justice, the rights of humanity, the character of the settlement, and the approbation of the Hon'ble Court. It has been submitted to all the Subscribers absent from the Presidency, and we expect to have the satisfaction of transmitting information of the general assent to this arrangement as soon as the votes can be collected from the remote Stations. [N. B. The proposed regulation will be hereafter submitted.]

29 (Para 146).—We are highly gratified by the approbation which the Hon'ble Court is pleased to bestow on the provision established for widows and children born in wedlock. In consequence of the decision of the Hon'ble Court with respect to the 2nd and 3rd Articles of the Plan, the Fund, in addition to those objects, provides for the support of Civil Servants who are compelled to go to England for the recovery of health, and will further, when it shall be able to undertake it without risk, make a provision for the retirement of servants who may be compelled by infirmity to relinquish their prospects in the Company's service and return to their native country. But we shall never perhaps be able to extend the Fund to this desirable object unless we receive a liberal support from the Hon'ble Court. But even whilst we are obliged to suspend the operation of this desirable provision, the only existing difference between this Fund and that established at Madras, is that the Madras Fund provides for the retirement of a certain number of Civil Servants annually. We have before submitted explanations on this subject, and we respectfully hope that they will be favorably considered by the Hon'ble Court. The Hon'ble Court have given their approbation to the principles upon which this Fund has been established; and the Hon'ble Court gave its support to an institution established at Madras on the same principles for thirteen years before the institution of a pension for the retirement of Senior Servants. We entertain a confident hope that the Hon'ble Court will not withhold its support from an institution, the constant and sole object of which is the relief of distress and the establishment of public funds for purposes strictly benevolent.

30 (Para 147).—A printed copy of the Plan is forwarded for the information of the Hon'ble Court, from which they will perceive that there is nothing objectionable in the 8th Article. A copy of all regulations passed subsequently to the former application to the Hon'ble Court, is also submitted for their information, and all regulations which may be passed in future, affecting the princi-

ples or provisions of the Fund, will be duly submitted for the information of the Hon'ble Court.

Thirty-first.—We have had occasion, in this letter to notice that there are several gentlemen of the Civil Service, mostly Seniors, who are not subscribers to the Civil Fund; and we are aware that the Hon'ble Court, if it could be influenced by any but the most humane and liberal considerations, might be induced to withhold its support from any partial institution. The number of Civil Servants is 356, of whom 143 are not subscribers. The secession of so many gentlemen was occasioned by a difference of opinion during the discussions preceding the establishment of the Fund, in all which they were of opinion that the Fund should include a provision for illegitimate, as well as legitimate children; and it was not until after a lengthened controversy, that the Fund was established on its present footing, without any provision for the illegitimate children. Most of those gentlemen declined to become subscribers to this Fund. This explanation has appeared to us to be necessary; and we have no doubt that we shall not suffer on this account the loss of the patronage of the Hon'ble Court. The number of non-subscribers will gradually decrease, and it is in the power of the Hon'ble Court to make the subscription ultimately general by establishing a rule that all persons who may hereafter enter the Civil Service shall become subscribers to the Civil Fund, as at Madras.

Thirty-Second.—We submit the foregoing observations and explanations for the consideration of the Hon'ble Conrt, with sentiments of profound respect and deference. The well known humanity and liberalty of the Hon'ble Court lead us to hope that, in consideration of the charitable and honorable principles and purposes, and manifest and proved advantages of the institution, they will grant their support and protection to the Bengal Civil Fund; and in this hope we respectfully solicit, 1st, that the Hon'ble Court will be pleased to accept the patronage of this institution, to encourage it by their protection, and to extend to this Fund the support which they have afforded to the Madras Civil Fund, by such annual donations, or other pecuniary assistance on the part of the Hon'ble Company as may appear to them proper, on a consideration of the number of their Servants on this establishment, and the objects to be provided for by the present institution, 2nd, That the Hon'ble Court will be pleased to make a regulation that all persons who may hereafter enter the Civil Service shall become subscribers to the Civil Fund, and shall continue to subscribe while in the receipt of allowances from the Hon'ble Company in India.

Thirty-third.—Should the Hon'ble Court be pleased to comply with the foregoing requests, we could entertain no doubt that the Bengal Civil Fund would at an early period be able to accomplish all the benevolent purposes of its institution.

In submitting these requests through the Hon'ble the Governor-General in Council, we are prompted to state that we are solicitous to obtain the honor of his approbation and support, and if the objects of our solicitation should appear to him to be unobjectionable, we respectfully entreat that he will be pleased to recommend them to the favorable consideration of the Hon'ble the Court of Directors.

Extract from the proceedings of the General Meeting of the Subscribers held on 25th July 1808.

Agreed that Mrs. Sherburne be allowed Sa. Rs. 3,000 for the passage of herself and infant.

Extract from a Public General Letter from the Honorable the Court of Directors, dated the 26th of February. 1808.

10. According to the recommendation in your Public Despatch of the 14th February 1807, we have perused the letter addressed to you by the Managers of the Bengal Civil Fund, in exposition of the design and the conditions of that institution, with a particular reference to the observations upon it contained in our public despatch of the 28th February 1806.

11. Whatever preference we may think due to the more comprehensive plan of the Madras Civil Fund as now constituted, we feel no difficulty in admitting that the objects of the Bengal institution, as explained by the Managers, were laudable and were urgent: they were the relief of the distressed families of Civil Servants, and the aid of Servants themselves, the support of the needy widow and orphan of the indigent sick obliged to a change of climate; of the infirm, destitute of the means of retiring to Europe. To an Institution formed upon these views, it certainly was not our intention to refuse countenance and assistance.

12. What we wished was, besides making due provision for the interests of suffering humanity, to combine, with the case of those primary objects, a more general provision in which all the Civil Servants should be entitled to share, and to which they would, therefore of course contribute. It appears to us that an institution formed upon this extensive principle would be calculated to answer useful and wise ends, and that a society like that of the Civil Servants of any of our Presidencies is particularly fit in respect to income and to liability to contingencies for the adoption of it. It proceeds upon the principle of insurance and at small individual expense, forms a general fund against ruinous misfortune.

13. Although our Civil Servants in general, reasonably look forward to a competency, and many arrive at affluence which may be thought to put them beyond any dependency of this kind, yet even they are exposed to unexpected loss of fortune, and that after their return to this country, when life is advanced, and their income from the Service has ceased, so that under such circumstances to have some remaining resource which they could not lose at once (for the pension ought not to be saleable,) and commensurate with life, might not be a provision beneath their care, especially as it is probable, speaking generally, that the contribution which would entitle them to it would be raised not from savings but by a contraction of expense.

14. Such contribution though it would justly entitle the affluent to participate in the benefit of the fund, yet, if general, would undoubtedly amplify the provision for the unfortunate, and though some who need not that benefit, may, in the contemplation of becoming qualified to share in it, prolong their stay in India, in doing which they in the mean time go on contributing to the fund, and lessening the time in which they can profit by it yet, on the whole it seems reasonable to conclude that it will occasion the return of servants to Europe by a quicker movement than would otherwise take place.

15. And this will correspond to the nature of the climate of India, in either of which should Europeans stay after the active period of life is past. By doing so, they would not only be exposed to suffer themselves, but would retard the advance of the younger servants, and so far perhaps deprive the Company of the benefit of their more energetic labors in important offices.

16. The fair emoluments of our service have also usually enabled the industrious and the prudent

to retire insufficient time, and where, from any cause, the means of doing so have not been obtained, we have been disposed to view the case with indulgence; but from the state of our expenditure, our income, and our debt, if must be evident to you *and to the world*, that there is necessity for the practice henceforth of a more rigid economy in our affairs than has been in easier times deemed requisite and that such necessity is likely to endure long. Lest therefore this should lead to some new consideration of the case of servants, who though remaining in the country, have withdrawn from active employment, it will surely be desirable that all who fall under this description, or can no longer be ranked in the active class of servants, should have another resource within their reach.

17. We should greatly prefer assisting, even to an equal amount, in the formation of such a resource to the pensioning at home of Civil Servants compelled by infirmity to relinquish their prospects in India without provision; such a principle, once admitted, would be gradually and indefinitely extended, without its being possible for us to exercise the discrimination that would be necessary.

18. The proposition which the Managers of the present Fund have suggested, that our Civil Servants should, on their admission into our employ, be required to agree to the appropriation of a small part of their income to the Civil Fund, seems to us a reasonable one, not liable to any serious objection, since the end to be obtained is the good of the Servants themselves. We therefore have it in contemplation to adopt a general regulation to this effect, connected as it must ever be with two conditions, already recognized and acted upon, that neither persons dismissed the Company's service nor illegitimate children are to derive any benefit from the Civil Fund.

19. We are satisfied with the footing on which the Managers of the Bengal Fund, in their proceedings now before us, have placed the former of these articles respecting Servants dismissed, and also Servants under suspension. With regard to the latter article, it has been the practice of all civilized nations to honor marriage by establishing a marked distinction in favor of the offspring of that union, and placing under disabilities the offspring of illicit connection. The welfare of society is intimately concerned in maintaining such distinctions in private life, and much more ought they to be observed in solemn public acts. We therefore highly approve of the respect paid to this principle in the formation of the Bengal Civil Fund.

20. In considering the support to be given by the Company to this institution, we must pay regard to the extent of its objects. Whilst the Madras Fund was directed to the relief of such distress and indigence as are now the objects of the Bengal Fund, our annual contribution to it was £1,480; when its plan was enlarged to comprehend all subscribers retiring from the service, we made a considerable addition to that allowance. At present we think it will be sufficient if we appropriate the sum of £2,500 annually to the Bengal Civil Fund: and such appropriation we hereby direct you to make. If the Fund is made a general one to take in all retiring subscribers, we shall make such further addition to this grant as the Articles of the new plan, and the state of the Company's affairs at the time, shall appear to render proper.

21. The patronage of the Institution we, at the desire of the Managers, accept.

From the Managers and Trustees of the Civil Fund, to the Chief Secretary to the Government, dated 8th September 1808.

We have the honor to acknowledge the receipt of your letter of the 19th instant, transmitting an extract from a Public General Letter from the Hon'ble the Court of Directors, under date the 26th February 1808, in which they are pleased to authorize, on their part, an annual contribution to the Bengal Civil Fund of £2,500 sterling.

We beg leave to request that an order on the Treasury may be issued in favor of the Managers for the amount of that donation up to the end of the past year, which from the 1st of January 1804 (the period of the commencement of the subscriptions) to the 31st of December 1807 inclusive, amounts to £ Sterling 10,000, or Sicca Rs, 97,672-6.

Extract from the Proceedings of the Trustees and Managers of the Civil Fund, of 12th January 1809.

The following Articles, which were agreed to at a General Meeting of the Managers and Subscribers to the Bengal Civil Fund on the 10th of August 1807, having been sanctioned by the Hon'ble the Court of Directors, and recognized by them as the conditions on which the appropriation of £2,500 per annum is granted to the Fund, are published for general information :—

Vide Articles XXXVI. @ XXXIX.

Adverting to the liberal aid which the Fund has received from the Honorable the Court of Directors, as well as to the remarks contained in a Public General Letter from the Honorable Court, dated 26th of February 1808, in reply to a letter addressed by the Managers of the Bengal Civil Fund to the Right Honorable the Governor-General in Council, it was deemed necessary to propose to the consideration of a General Meeting of the subscribers at Fort William on the 27th October 1808, the expediency of affording to such of the Civil Servants on this Establishment as have not hitherto become subscribers to the Fund an opportunity of participating in the benefits to be derived from the Institution.

The following rule for that purpose, having been proposed by Mr. Adam and seconded by Mr. Mackenzie, was unanimously agreed to, and is now published for general information :—

Any Civil Servant, now in India, who may not yet have subscribed to the Civil Fund, may become a Member of that Fund at any time previously to the 1st of May 1809, on intimating his wish to subscribe, and paying up the arrears of his subscription, with a premium of Ten per cent. on the amount to cover the Interest, which would have accrued on it, had his subscription been paid monthly. But no Civil Servant of this Presidency now in India who shall not avail himself of the option hereby given of becoming a member of this Fund before the 1st of May 1809, nor any Civil Servant hereafter arriving in India, who may not accept the invitation given to him by Article 31 of the printed plan within six Months after his arrival in India, shall not, after these respective periods, be admitted on any plea or excuse what ever, to become a Subscriber to the Civil Fund.

The paragraphs of the Honorable Court's letter containing the remarks above alluded to, are paras. 10, 11, 19, 20, and 21.

Extract from the Proceedings of the Trustees and Managers of the Civil Fund, of 25th June 1809.

The Managers having perused, with the greatest attention, the letters addressed to their Secretary by Messrs. Newnham, Trant and Travers, proposing that the benefits of the Civil Fund be exten-

ded to the widows and children of every subscriber indiscriminately, whether he die possessed of property or not, and likewise, that a certain number of Civil Servants shall be allowed a pension of £500 per annum on their retiring from the service annually under certain conditions. The Managers accordingly directed their Secretary to endeavour to ascertain the additional resources which would be required to extend the benefits of the institution in the manner proposed by the above gentlemen, and having taken into consideration the report which has been submitted by their Secretary in consequence, the Managers are decidedly of opinion that however desirable it might be to embrace the objects recommended by Messrs. Newnham, Trant and Travers, yet in the present infant state of the Fund, it would be extremely hazardous to make any attempt of this nature, and therefore unanimously resolve that no alteration should be made in the present institution of the Fund.

Extract from a Public General Letter from the Honorable the Court of Directors, dated the 6th September 1809.

72. Disposed, as we ever have been, to consider with humane attention the circumstances of such of our servants as from mental or bodily infirmities become disqualified for active service, and who are compelled to return to England for the re-establishment of health without adequate means for support, yet we can never consent to a proposition of such magnitude as the one you have submitted for our consideration in the para. before us, namely, to grant for three years to our Civil Servants proceeding to England for the recovery of health, the subsistence which they are allowed to draw in India during the period they are out of employ. Such a regulation would not only lead to incalculable expense, but would give more encouragement to our Civil Servants to visit their native country on the plea of ill-health than ought to be held out to them.

73. Indeed we are surprized at such a proposition coming from our Supreme Government, when it is considered that the Civil Establishments of our subordinate settlements of Madras and Bombay have made the provision here required from the Company from the Civil Funds respectively established at those Presidencies, particularly at a time when the Company's exigencies require the most rigid economy in every existing branch of their expenditure.

74. In our remarks on the Civil Fund Established by our Covenanted Servants at Bengal, contained in our Public Despatch of 26th February 1808, we have strongly recommended to the subscribers to that institution to extend the benefits of the Fund to persons compelled by infirmity to relinquish their prospects in India without an adequate provision for retirement, and have expressed our willingness to afford our aid in the formation of such a resource. It is unnecessary to repeat our observations upon that occasion, but we trust they will have had due weight upon the minds of the subscribers; at all events, the proposition you have made to us is inadmissible.

Letter from the Trustees and Managers of the Civil Fund to the Secretary to the Government of India, dated 9th February 1811.

The Hon'ble the Court of Directors, in their Public General Letter of the 26th of February 1808, were pleased to express themselves satisfied

with the reasonableness of the proposition suggested by the Managers of the Civil Fund in their letter to Mr. Secretary Brown of the 2nd of August 1806, that Civil Servants, on their admission into the Service, should be required to become subscribers to this Fund, and to continue their subscription, while in the receipt of allowances from the Hon'ble Company in India; referring to the latter part of the 18th para. of the letter above alluded to, in which the Hon'ble Court were moreover pleased to say, 'that they had it in contemplation to adopt a General Regulation to that effect, we respectfully request to be informed if any further communication on this subject has been received by the Right Hon'ble the Governor-General in Council.

The great inconvenience which the Fund has experienced from the want of a General Rule of this nature, induces us to bring the subject before Government, and to solicit, in the event of its not having yet been adopted, that His Lordship in Council will be pleased to recal the attention of the Hon'ble Court to the proposed measure.

The Fund at present supports 5 widows and 5 children, and gives allowances to 6 gentlemen who have been obliged to return to Europe for the recovery of their health, and we respectfully venture to hope that the charitable objects of the Fund, and the extensive relief which it affords to distress, will induce the Right Hon'ble the Governor-General in Council to recommend to the Hon'ble the Court of Directors to adopt the Regulation, which has been already suggested to, and received the approbation of, the Hon'ble Court.

Letter from the Secretary to the Government of India to the Managers of the Civil Fund, dated the 23rd February 1811.

I am directed by the Right Hon'ble the Governor-General in Council, to acknowledge the receipt of your letter of the 9th instant, and to acquaint you that no further communication has been received from the Honorable the Court of Directors on the suggestions contained in your letter of the 29th August 1806, since their letter of the 26th February 1808. But that his Lordship in Council has, by the ships under despatch, referred the subject again to the consideration of the Honorable Court.

COUNCIL CHAMBER.

Letter from Mr. W. Bell, to the Secretary to the Civil Fund, dated London 29th October 1810.

I was favored with your letter of the 25th January last, per *Sarah Christiana*, the beginning of this month, informing me that the General Meeting of the subscribers to the Civil Fund had that day determined to instruct their agents how to pay me a 4th and 5th years' allowance for the use of my brother, James Bell, which I have received from Messrs. Paxtons, Cockerell, Trail and Co. I herewith send you a copy of Dr. Willis's certificate with regard to my brother's state, and the little chance of recovery, and hope the subscribers will take his case again into consideration, with regard to fixing a permanent allowance, as from a conversation I had at the India House previously to my addressing you on this unfortunate business in June 1809, I was informed that I could expect no assistance from the Court of Directors *unless refused by the Civil Fund*, as the large contribution of the Company, towards the Fund had in view the situation of my brother, equally

with every one whose situation deprived them of the ability of attending to their duties in the Company's service. From the little chance of recovery which at present appears, and a fear that he might entirely be thrown upon his friends, I have been endeavouring to reduce the annual expenditure for him, at the same time leaving him quite comfortable and as happy as his situation will admit of, which I am sorry to say cannot be done much under £200 per annum. I must therefore again trouble you, to lay this before the gentlemen managing the Fund at Calcutta, as this is an uncertain conveyance (the *Elizabeth* not being in the Company's service). I shall send the duplicate of Dr. Willis's certificate, directed to Messrs. Paxtons and Co., by the first regular conveyance.

Extract from a Public General Letter from the Hon'ble the Court of Directors, dated 10th July 1811.

You acted very properly in authorizing the payment of our annual contribution to the Bengal Civil Fund from the date of our orders only. We are sensible of the advantages which must arise to our Service by the Institution in question, and feel disposed to give it due encouragement; but the application of the Commissioners, for a retrospective operation of four years to our Donation, cannot be acceded to.

Extract from the Proceedings of the General Meeting of Subscribers of 20th July 1813.

Resolved, that it appears from the answers to the reference made to the subscribers at large, in conformity with the resolution of the last General Meeting, that a majority of the subscribers are for continuing the present allowance to Mr. Bell as long as his present malady continues.

Resolved, that Agents in England be requested to require the friends of Mr. Bell to produce a certificate annually of the actual state of Mr. Bell's health, a copy of which certificate to be regularly transmitted to the Managers.

Letter from the Secretary, Government of India, to the Managers and Trustees of the Civil Fund, dated 1st May 1813.

I am directed by the Right Hon'ble the Governor-General in Council to transmit for your information the annexed Extract of a letter from the Hon'ble the Court of Directors, dated the 21st October last, in reply to your proposition that all writers on their admission to the Civil Service, should be required to subscribe to the Civil Fund.

Extract from a Public General Letter from the Hon'ble the Court of Directors, dated 21st October 1812.

125. We have considered the application of the Managers of the Civil Fund established at your Presidency, that the writers, on their admission into our service, should be required by us to subscribe to the Fund. However desirable a general subscription must be for the funds of this institution, we are of opinion that it would be highly improper to depart so far from the principles upon which the society in question was founded, as to make the subscriptions to it compulsory; we however, are glad to have this opportunity of expressing our wish that, by the voluntary subscriptions

of the Civil Servants upon the Bengal Establishment, a society, which promises to afford such important benefits to that Establishment, may be placed upon a solid foundation, so as ultimately to accomplish the benevolent objects of its institution.

Extract from the Proceedings of a General Meeting of Subscribers held on the 28 July 1817.

1st.—That it is indispensably requisite to retrench, by every possible means, the present disbursements of the institution. It therefore of necessity follows that the pensions to present incumbents (widows) should be reduced to what is allowed by the letter of the regulations, viz. to Sa. Rs 300 per month in India, and £300 per annum in England. To obviate, however, as much as possible the inconvenience this reduction of income must occasion, it is determined that it shall not take place until the 1st July 1818 in India, and the 1st January 1819 in England.

2nd.—That the Managers be requested to address to the Hon'ble the Vice-President in Council a concise statement of the resources of the Fund, with some explanation of the causes which have occasioned the necessity of an appeal to the liberality of the Hon'ble the Court of Directors for some further assistance.

3rd.—That from the present date no person shall be admitted as a member of the institution unless he shall distinctly declare in writing his determination to continue his contributions during the whole of his service in India.

Letter from the Trustees and Managers of the Civil Fund to the Acting Chief Secretary to the Government of India, dated 18th October 1817.

The Managers of the Civil Fund, having recently entered on a careful examination of the present condition and future prospects of the institution, deemed it to be their duty to submit the result of their examination to the consideration of the members assembled at the last quarterly meeting of the institution, and in conformity with the wishes of that meeting, we now beg to request the attention of the Hon'ble the Vice-President in Council to the following concise statement of the resources of the Civil Fund, and to solicit his support to the appeal which we are reluctantly compelled to make to the liberal and humane consideration of the Hon'ble the Court of Directors.

2nd.—There are now on the Fund 12 widows receiving annually Rupees 38,488 in the form of life annuities, subject to discontinuance on marriage. The number of children who receive support from the Fund is 29, viz. 20 girls and 9 boys, receiving annuities of different amounts, and subject to the conditions specified in the rules of the institution, viz. the annuities of the girls to be continued until marriage, those of the boys until they attain the age of 21.

3rd.—From calculations which the Managers have carefully considered, but with the particulars of which they deem it unnecessary to lengthen the present address, it appears that the value of the annuities received by the widows and children in this Fund cannot be assumed (interest being 6 per cent.) at less than Sa. Rs 6,07,051. The present accumulated capital of the Fund, however, amounts only to Sa. Rs 4,70,000, leaving a deficit of Sa. Rs 1,37,000.

4th.—By this amount, which is equivalent to a perpetual payment of Rupees 8,220 per annum,

the annuities to incumbents remaining the same, the future income of the Fund must be considered as mortgaged for the security of those now receiving relief from it. Unless, therefore, the future income of the Fund shall be sufficient to redeem this mortgage, and at the same time to meet the future demand against it, it is plain that its means are inadequate.

5th.—The annual income of the Fund, exclusive of interest, is Sicca Rupees 82,320. Of this sum, about Sa. Rs 20,000 appears annually to be required for the assistance granted to sick members, leaving, in addition to the accumulated capital applicable to the payment of annuities, the annual sum of Sa. Rs 62,320.

6th.—From this, deducting the interest of the sum in which the balance accumulated falls short of the value of accumulated annuities, or Sicca Rupees 8,220, there remains only a clear sum of about 54,000 Rupees per annum to provide annuities for future incumbents.

7th.—This amount, however, is, as will afterwards be shewn, altogether inadequate to meet the probable demands which will in future be made on the Fund.

8th.—The present incumbents' widows have, by an indulgent interpretation of the 19th Article of the Rules of the Fund, been permitted to receive more than they were strictly entitled to, the annual incomes of all being made up to Rupees 400 per mensem if in India and £400 per annum if in England.

9th.—Adverting to the length of time during which this practice has prevailed (and it commenced indeed in the first year of the institution), to the moderate amount of the income which, even under this indulgence, is received by the parties, when contrasted with the circumstances of their past condition, and to the serious hardship which any reduction in that income will probably inflict, the Managers and the members of the institution present at the last quarterly meeting felt extremely anxious to permit, if possible, the widows now on the Fund to continue in the enjoyment of the same advantage which they have hitherto drived from it. But in consideration of the professed inadequacy of capital already accumulated to provide for the payment of their annuities on their present scale, the uncertain nature of the income of the institution, and the insufficiency of that income to meet future demands, they have felt it to be their duty, and a duty required from them even by a consideration of the interests of the present incumbents themselves, to resolve, that, "the amount paid to the widows at present on the "Fund shall be reduced to the lowest scale au-"thorized by the conditions of the Fund, that is, "that no widow shall receive from the Fund more "than 300 Rupees per mensem in India or £300 "per annum in England."

10th.—The Meeting at the same time thought it right, with a view of obviating, as much as possible, the embarassment which so serious a reduction of income must in many instances occasion, to postpone the actual operation of this Resolution, until the 1st January 1819.

11th.—All annuities hereafter granted will, however, be strictly regulated by the above principles. By this determination, the annuities granted to widows now on the Fund will be reduced from the above rate in the sum of Sicca Rupess 8,920, and their values proportionably dominished. The saving thus effected, may be valued at Sicca Rupees 85,000, which deducted from the amount Sicca Rupees 137,000, in which it was above shewn that the present balance is deficient, still leaves a deficit of Sicca Rupees 52,000.

12*th.*—The interest of this, or Sicca Rupees 3,120, must, therefore, be deducted from the income of the Fund. The clear income will then be Sicca Rupees 79,200, from which, after deducting the estimated charge on account of sick members, Rs. 20,000, the income available to meet the annuities of future incumbents is less than Rupees 60,000.

13*th.*—The present number of subscribers is 314, of whom 108 are married, and adverting to all the circumstances of the service, we are of opinion, that provision should be made for the probable increase of incumbents, assuming the occurrence of two deaths yearly among those of the married members of the institution whose families must look to it for support.

14*th.*—If this anticipation be well founded, the amount to be annually appropriated to meet future annuities cannot be safely assumed at less than Rupees 86,000. But as above shewn, the clear income of the Fund (even after the reduction made in the annuities of present incumbents) amounts to less than Rupees 60,000. The Income of the Fund is therefore, on the above suppositions, more than 26,000 Rupees below what is required to meet the future demands upon it.

15*th.*—Under the above circumstances, in addition to the proposed reduction of the incomes hitherto allowed to widows, we have been further compelled to resolve that all claims for passage-money, preferred on behalf of sick members, as well as all other disbursements not absolutely imperative under the Rules of the Fund, shall be rejected.

16*th.*—With all practicable economy, however, we apprehend that the resources of the Fund will be found inadequate to meet the claims upon them.

17*th.*—These apprehensions, too, cannot but be greatly aggravated by the uncertain tenure on which the title of the Fund to the contribution of its members is founded.

18*th.* The Managers would indeed hope that the instances of members withdrawing from the Fund will be rare, but some such instances have occurred, and as they are naturally to be found among the higher classes of the Service, the loss to the Fund is proportionably great.

19*th.*—While the option of retiring remains, the Fund can never be considered altogether secure, and it is our intention, therefore, immediately to address the subscribers at large with a view to obtain their consent to the abrogation of the 33rd Article of the conditions of the Fund, by which that option is allowed.

20*th.*—We trust that, when the extensive blessings which the Fund has already secured to so large a number of the widows and orphans of their fellow-servants is contemplated by the subscribers, and when they see, at the same time, the danger to which it is exposed, they will not hesitate to adopt a measure so essential to its security, and will readily join in pledging themselves to continue their subscriptions. In the mean time we have adopted a resolution that no person shall in future be admitted as a member of the Fund unless he shall distinctly declare, in writing, his determination to continue his contribution to it during the whole period of his service.

21*st.*—From the foregoing observations, the Vice-President in Council will perceive, that every measure within the competency of the Managers and of the Subscribers to the Civil Fund at the Presidency, has been adopted with a view to guard against the progressive diminution of the resources of the institution. We have, as above stated, reluctantly determined, 1st, to diminish the scale of allowances hitherto granted to widows; 2nd, to reject all applications for passage-money, as well as

other claims of a pecuniary nature, in all instances in which the rules of the institution vest us with a discretionary power of refusing to comply with such claims; and 3rd, to adopt such arrangements as are in our power to induce the present subscribers to refrain from availing themselves of the option of withdrawing their subscriptions. These measures, however, will prove insufficient to secure the stability of the institution, unless the Hon'ble the Court of Directors will be pleased to make a permanent subscription to the Fund imperative on every one entering the Service, so that the future members of the Civil Service may, as such, be considered to belong to the Fund, and the prescribed deduction from their salaries be made by the Civil Auditor as a matter of course.

22*nd*.—By these means, the resources of the Fund becoming fixed and definite in their extent, its operations will be regulated by certain and permanent principles. The persons who look to it for support will be freed from the anxiety under which they must labour, while they know that both the extent and duration of that support are in a great degree dependent on the caprice of individuals, and the Managers will be enabled conscientiously to give to the institution its full usefulness, when they shall no longer have to dread a failure of its means from causes which they can neither calculate upon nor control.

23*rd*.—We are aware that the Hon'ble Court have expressed themselves in favour of an adherence to the original principle of the institution, by which subscriptions were left entirely optional. To that principle we also should have wished to have adhered, but we are compelled to relinquish it by the conviction that it cannot be maintained without endangering the very existence of the institution, or purchasing its safety by a parsimonious distribution of its benefits, that would defeat the objects of its establishment. Even, indeed, although the measure which we have thus suggested should be adopted, we see reason to apprehend that the income of the institution will not meet the strict demands against it, and at all events, without some further aid, we shall be compelled to continue those restrictions on the allowances of incumbents which, as above noticed, we have now been forced reluctantly to impose.

24*th*.—We earnestly request that the Hon'ble the Vice-President in Council will be pleased to take an early opportunity of bringing this address to the notice of the Hon'ble the Court of Directors, with a recommendation in favour of the measure above suggested, as essential to the stability of the Fund, and for such other aid and support as the Hon'ble Court may be pleased to extend to the institution, either by granting some addition to the donation which they have already assigned to it, or by authorizing the payment to the Fund of the amount of that donation from the commencement of the institution of the Fund, viz. 1st January 1804, to the 31st December 1807, the date from which the first payment of the Hon'ble Court's donation was made, being four years at £2,500 or Sicca Rupees 24,418-1-6 per annum, total Sicca Rupees 97,672-6-0.

25*th*.—It may indeed justly be stated as one of the causes which have contributed to the present embarrassment of the Fund, that the donation of the Hon'ble Court, on which the framers of the institution naturally calculated as a part of its fixed resources, was temporarily suspended, and it must be unnecessary to remark how much more importantly its prosperity has been affected by the reduction of the interest of the Public Securities in which all its accumulated capital is vested. This reduction of interest, alone, has affected the

amount of that capital in more than 60,000 Rupees, exclusive of compound accumulation.

26th.—The Hon'ble Court will not fail to recognize the extensive advantages which have already flowed from the institution, both in the immediate relief which it has afforded to the families of so many of their servants, and the favorable influence which it is calculated to have on the general character of the Service, and they will not, the Managers humbly hope, think it the less deserving of support because it looks not to the personal interests of its members, but confines its aim solely to objects of benevolence—the sick, the widow, and the orphan.

27th.—We have the honor to annex to this letter the undermentioned documents:

1st.—A Memorandum, showing the present income of and demands upon the Fund.

2nd.—A List of the Widows and Children who have received Pensions from the Fund since its first institution, and of the Civil Servants who have received support from the Fund during their residence in England in consequence of illness.

3rd.—A Statement showing the relative number and rank of the Civil Servants who subscribe, and who do not subscribe, to the Civil Fund.

4th.—An Abstract Statement shewing the receipts and disbursements of the Institution during each year from 1806 to 1816.

Letter from the Acting Secretary to the Government of India, to the Managers and Trustees of the Civil Fund, dated 6th March 1818.

I am directed by the Hon'ble the Vice-President in Council to acknowledge the receipt of your letter dated the 15th October last, with its enclosures, and to inform you that copies of these papers will be forwarded to the Hon'ble the Court of Directors by the *Hastings*. The favorable attention of the Hon'ble Court will, at the same time, be requested to the state of the resources of the Civil Fund, and to the appeal which you have made to the liberality of the Hon'ble Court for such further pecuniary aid as they may be pleased to extend to it.

The Vice-President in Council doubts not that the Hon'ble Court, in considering this question, will recognize the benevolent objects which alone the Fund has in view, as well as the extensive advantages which have already flowed from the institution, and the favorable influence which it is calculated to have on the general character of the Service. I am, however, desired to add, that the Vice-President in Council does not feel himself called upon to offer any opinion to the Court on the expediency of the particular measure suggested in the 21st paragraph of your letter, which was on a former occasion submitted to their consideration.

Extract from a letter from the Honorable Court of Directors, to the Governor-General in Council, dated 8th December 1824.

Para. 2. Agreeably to the intimation conveyed to you in the 3rd paragraph of our despatch in this Department, dated the 26th February 1823, we have taken into consideration the memorial of a committee of the members of the Civil Service of your establishment, which accompanied your despatch dated the 29th June 1822.

3. That memorial embraces two objects, *viz.*, the grant of permission to Civil Servants to come to Europe, under regulations to be defined, without forfeiting the whole of their allowances, and the establishment of a Fund in Bengal for granting annuities to Civil Servants upon retirement.

4. We premise that, although Civil Servants are not at present entitled to receive from the Company any allowance, either on temporary leave of absence or on retirement, yet those objects have been provided for to the following extent in the regulation of Funds formed by the subscriptions of Civil Servants, aided by contributions from the Company, *viz.*:—

Bengal.—To subscribers compelled to proceed to England for the benefit of health, and upon oath of straitened circumstances, allowances for a period not exceeding three years in the whole, and subject intermediately to the occasional production of strong medical certificates:—

If a Senior Merchant	...	£500 per annum.
„ Junior ditto	..	375 ditto.
„ Factor or Writer	...	250 ditto.

Madras.—To a subscriber compelled to proceed to England for the benefit of health, or under circumstances of distress, such an allowance as may make his total income, whether arising from his own means or from the Fund, £300 per annum, the amount for the first year being advanced previously to leaving India. This allowance is granted for three years, and in certain cases is extended to a fourth year; the whole is subject to a condition that the amount shall be refunded upon return to India. To Civil Servants, according to seniority, the offer of annuities, if they choose to retire, is made—some amounting to £600 and some to £400 per annum. The condition for the grant of such annuities is, that the grantee shall have paid either subscriptions to the Fund a certain aggregate sum, or that he shall pay the difference between such sum and the amount of his subscriptions.

Bombay.—To subscribers compelled (without possessing adequate means) to quit India for the recovery of health, an advance of Rs. 2,000 on loan, without interest, and an allowance of £300 per annum at the commencement of each year for three years.

5. To subscribers, according to seniority, upon similar conditions as at Madras, the offer of annuities upon retirement of £400 per annum each.

6. It is our practice, at the request of the Managers of the Funds, to advance sums in England, re-payable to the local Governments in India at rates of exchange very favorable to the Funds, which enable them to bear the charge of the temporary allowances and permanent annuities free from deduction in consequence of the alteration of the current rate of exchange; and we also grant to the Civil Funds of Madras and Bombay, in addition to direct pecuniary contributions, an equivalent to interest on their deposits at the rate of 8 per cent. per annum; and thus it is clear that the subscribers receiving benefit in England from this institution must be regarded as having accumulated to the extent of their property in the Fund, free from all loss, either in exchange or in interest.

7. It is, however, apparent from the preceding statement that, so far as respects absentees in Europe, the benefit is restricted to temporary allowances, to sick and indigent servants, and which, in some cases, are granted by way of loan; and that, so far as respects annuities upon retirement, no such advantage is secured to the Bengal servants.

EXTRACT from a Public General Letter from the Hon'ble the Court of Directors, dated the 17th January 1823.

2.—The Government of Fort St. George, in bringing to our notice the case of Mr. Willock, for whose return to England on account of ill health the College Board had been authorized to provide at the public expense, which case was of a nature to show clearly the necessity of a general provision for contingencies of a similar nature, and for other cases of distress which, from the neglect of some of our Civil Servants to subscribe to the Civil Funds of their respective Presidencies, become subjects of appeal to our benevolence, and eventually a charge on our finances, drew our attention to the expediency of making it henceforward a condition with all our Civil Servants, on their first appointment as writers, that they shall become subscribers to the Civil Funds, and continue their subscriptions throughout their periods of service, with a view to their own security and to our relief from unnecessary charge.

3. After very mature deliberation, we have determined to adopt the suggestion of the Madras Government, and shall henceforth insert a stipulation in the covenants of all our Civil Servants accordingly. Of course, those persons who are already in our service, and who have not subscribed, cannot be dealt with in the same manner, but we desire that you will make it known to the parties who are not subscribers to the Civil Fund that it is the Court's wish that they may be induced one and all to subscribe thereto, it being our determination to refuse compliance with any application for relief on the behalf of the widows and families of those of our Civil Servants who shall decline to contribute to the Civil Fund.

4. The chief object of these institutions has hitherto been to afford relief in cases of distress, however originating, but when it is obligatory upon our Civil Servants to contribute, it appears just and necessary that the Fund should hold out to the whole body of contributors some contingent benefit independent of circumstances of distress.

5. The optional Annuities engrafted on the charitable purposes of the Civil Funds of the Presidencies of Madras and Bombay will answer this purpose, and we hope to see the same adopted at your Presidency.

6. In our letter dated the 17th December 1822 (paragraphs 2 and 3) we acknowledged the receipt of a memorial from the Civil Servants at your Presidency, requesting our aid towards obtaining a repeal of that part of the 33rd George III., Cap. 52, Sect. 37, whereby it is enacted that—"If any officer "whatever in the service of the said Company shall "quit or leave the Presidency or settlement to which "he may belong, other than in the known and "actual service of the said Company, the salary and "allowance appertaining to his office shall not be "paid nor payable during his absence to any agent "or other person, and in the event of his not re-"turning back to his station at such Presidency or "settlement, or of his coming to Europe, his salary "and allowances shall be deemed to have ceased "from the day of his quitting such Presidency or "settlement, any law or usage to the contrary "notwithstanding."

7. In reply to that memorial, we informed you that, however disposed we may be to extend every indulgence to our Civil Servants when afflicted with ill health, yet we are not prepared to take any steps towards obtaining the repeal of the clause in question. But we think it possible to provide to a certain extent for the contingencies adverted to in the memorial from the resources of the Fund, which may be effected by a modification of the

conditions of the Fund to the following effect, namely, that all subscribers proceeding upon sick certificate to the Cape or elsewhere, other than to Europe, be entitled to draw from the Fund, during their absence, the allowances of a Civil Servant out of employ according to their respective rank, the same to be re-paid to the Fund in the event of their returning to the receipt of their allowances, in deposit without interest; but in the event of their death, or proceeding to Europe, the same not to be re-paid, but to remain a charge on the Fund. Should they proceed to Europe, they ought also to have the benefit of that clause of the Fund regulations which authorizes in certain cases an advance for passage-money.

8. We strongly recommend the insertion of some such stipulation in the terms and conditions of the Civil Fund of your Presidency.

Letter from the Managers and Trustees of the Civil Fund, to the Secretary to the Government of India, dated 7th August 1823.

We have the honor to acknowledge the receipt of your letter of the 26th June last, transmitting for our information an extract from a Public General Letter from the Hon'ble the Court of Directors, dated the 17th January last, and requesting a communication of our sentiments on the proposition of the Hon'ble Court for the consideration of Government.

It would seem, from the sentiments conveyed in this extract, that the Hon'ble the Court of Directors are not insensible of the hardship suffered by individuals of their Civil Service under the operation of the 33rd Geo. III., Cap. 52, Sec. 37, and that, as a means of mitigating the severity of the rule, they are desirous that a public institution shall undertake to furnish to invalids, during the period of their residence at the Cape of Good Hope, the rate of subsistence to which every member of the Civil Service is entitled in India when not employed in any particular situation, so that this provision may be secured to them and made altogether independent of the accidents of life.

The Hon'ble Court of Directors have expressed a further desire to secure to members of the Civil Service obliged to return to Europe for the sake of their health the same rate of allowance for their maintenance while absent from this Presidency, and the members of the Civil Fund are apparently invited to communicate the terms on which they would undertake, as a public body, to provide for both the above objects.

We cannot suppose, after the frequent representations we have had the honor of submitting through this Government, that the Court of Directors is so far unacquainted with the situation and circumstances of the Fund as to expect that it should be able to provide for any additional charges of the above description from the limited funds now at its disposal. Our letter dated the 15th October 1817 will, we conceive, have fully satisfied both this Government and the Honorable Court, that the existing resources of the institution are altogether inadequate to meet the charges to which it is liable under its present constitution, and since the calculations were made which led to our adopting this unfavorable view of our condition and prospects, the interest on a large portion of our capital has been reduced from 6 to 5 per cent., and the state of the exchanges has further operated greatly to our disadvantage by increasing proportionally the burthen on the institution incident to the necessity of making its payments in London. The present demand on the Fund under this head

amounts to a sum exceeding £9,000 per annum, for which we are obliged to provide remittances at the unfavorable rates of the day, and at a loss of at least 20 or 30 per cent. in comparison with the rate at which we effected the remittance heretofore.

We took the liberty, in a memorial submitted by us on the 15th October 1817, to solicit some further aid and countenance from the Hon'ble Court. It gives us sincere pleasure to observe that our request that subscription to the institution should be made obligatory on all servants hereafter appointed to this Presidency, is likely to be favorably received by the Hon'ble Court, and we are disposed fully to admit that it would be desirable in this event to alter the constitution of the Fund, so as to provide a more extensive benefit to the Service at large, instead of confining its advantages, as at present, to the families of persons dying in poverty, and to individuals obliged to resort to Europe for purposes of health, when actually destitute of the means of supporting themselves.

In the present state of our funds, however, we feel it to be altogether out of the question to entertain any proposition for extending the aid to be afforded by the institution at the present rates of subscription: at the same time, we do not think we should be justified in calling on our fellow-servants to submit to an additional contribution specially to meet the objects now in view, and the additional number of subscribers that will ensue in the course of time upon the subscription being made obligatory will not, in our opinion, produce a surplus disposable fund, even if it should suffice to secure our solvency. So heavy indeed are the present demands on us that, unless our application for further aid from the Hon'ble Court shall meet with a favorable reception, we fear that we shall be under the necessity of curtailing the provision now made from the Fund, in order to bring our expenditure to a due proportion to our means. As a proof that the institution is deteriorating in its prospects instead of improving, it may suffice to state that, since the representation forwarded by us in 1817, there had fallen on the Fund 14 widows, 39 children, and 16 cases of Civil Servants driven to Europe by ill health.

Under those circumstances, and in the full confidence that the Hon'ble Court cannot have expected that the institution should provide that allowances proposed for Civil Servants proceeding to the Cape or to Europe out of its existing funds, we have attentively considered the terms on which we could venture, without injury to the interests confided to us, to undertake what is proposed. It seems to us that the provision of an allowance equal to that now enjoyed by Servants out of employ, will, in the case of Civil Servants obliged to return to Europe, be a dead outlay and charge for which no return whatever can be anticipated. In the case of an invalid proceeding only to the Cape of Good Hope, there will, under the proposition of the Hon'ble Court, be a chance of recovering the amount, as much as what we provide will be on the footing of an advance made on account, re-payable in case of the invalid surviving, and returning to the Presidency to draw the arrears of salary which may have accumulated during his absence. In the former case, therefore, the entire charge is to be calculated upon; in the latter, only the risk of the individuals not surviving, with a certainty of the loss of interest on such advance.

We conceive that we might, without material hazard to the interests of the subscribers at large, undertake to relieve the Hon'ble Court from any appeals to their charity from Civil Servants pro-

ceeding to Europe under circumstances of aggravated distress, and make the desired provision for individuals of both of the above classes on the following conditions; we think, also, that the general body of subscribers to the institution will not object to accede to the terms, in case they should meet the sanction and approbation of the Hon'ble Court of Directors :—

First.—With respect to individuals of the Service proceeding to the Cape of Good Hope for health, the Civil Fund will undertake to make an allowance, equivalent to the rate to which they would be entitled if out of employ in India, to any members of the Civil Service subscribing to the Fund, who may proceed to the Cape or other place within the limits of the Company's charter, on sick certificate, provided the Hon'ble Court of Directors will authorize the payment to the Fund of the proportion of the allowances of such individuals, which, by the rules of the Service, may be deducted from their salary on payment of the arrears upon their return.

Secondly.—We will undertake to allow to individuals obliged to proceed to Europe for health the same rate of allowance, during the period of their necessary absence, as that to which they would be entitled as servants out of employ, provided that the Hon'ble Court will sanction the payment to the Fund of a sum equivalent to the allowance which each Civil Servant so relieved would be entitled to draw if unemployed in the country.

The above are the terms on which it seems to us that we can at once relieve the Hon'ble Court of Directors from all apprehension of such claims as the Hon'ble Court would seem to anticipate, as a fruitful source of expense and inconvenience to them; and we beg permission to add that we do not think that we could, in justice to the body of subscribers to the institution, or to the particular interests for for which it was established, venture to take on ourselves so heavy a contingent charge on any terms that may not involve some equivalent of the kind above indicated, as a compensation for the risk and trouble to be induced.

Letter from the Managers and Trustees of the Bengal Civil Fund, to the Hon'ble the Governor-General in Council, dated the 14th May 1823.

The capital of the Civil Fund having been vested in Government obligations of the loan of 1821, recently discharged, we feel it to be our duty to submit to the indulgent consideration of Government the extensive injury that will be sustained by that Institution if required to transfer into the new loan on the usual terms, and to urge on its behalf a humble request that, with reference to its charitable object and present far from flourishing condition, some special advantage may be conceded to it by the liberality of Government.

The amount of the funds of the Institution vested in the manner above noticed is Rs. 5,53,800, and we have already made the tender of the paper for transfer, under the stipulations of the advertisement of the 4th February last, of this amount; therefore, unless we are relieved in some way from the effect of the arrangement, 3-10ths will be returned to us in cash, and must be reinvested at a loss of at least 12 per cent., the premium at which obligations of the new loan can be procured; besides a perpetual diminution of one per cent. in the income yielded by the amount of capital we possess, or may hereafter accumulate.

So extensive a diminution of the annual means of the Institution would necessarily have the effect of accelerating the ruin which we have too much

reason to fear, must ultimately fall on the Charity, unless some of the objects solicited in our letter of the 15th October 1817, should be conceded by the indulgence of the Hon'ble Court of Directors.

Since that letter was written, the charitable assistance of the Fund has been extended to 13 widows, 37 children, and 14 Civil Servants who have gone to England on sick certificate. As this is considerably beyond the proportion of incumbents which the Institution can bear upon a just calculation of its resources, the claim urged on the ground that some further aid was necessary to ensure the permanency of the charity, has now been considerably strengthened, at the same time that the number of admissions is of itself convincing evidence of the extent of its utility.

Under these circumstances, we venture to solicit that Government will assure us an interest of 6 per cent. on the amount of our present capital, and permit future accumulations of funds to be paid into the Treasury on the same terms. Should this request be deemed unreasonable, we beg to submit that the obligations we now possess of the loan of 1821 may be admitted, without deduction, into the new loan of this year. And, further, that five per cent. may be allowed on such funds as may hereafter be paid by us into the General Treasury, on account of the Institution.

Letter from the Secretary to the Government, to the Managers and Trustees of the Bengal Civil Fund, dated the 22nd May 1823.

I am directed to acknowledge the receipt of your letter of the 14th instant, and to inform you that under the particular circumstances represented by you relative to the affairs of the Civil Fund, the Governor-General in Council is pleased to comply with the 2nd clause of your application, viz., that the obligations now possessed by the Fund of the Loan of 1821, may be admitted without deduction, into the new Loan of this year, and further that five per cent, may be allowed on such funds as may hereafter by paid by you into the General Treasury on account of the institution. The necessary orders for carrying the foregoing resolution into effect, will be issued from the proper department.

Letter from the Secretary to Government to the Managers and Trustees of the Bengal Civil Fund, dated 4th September 1823.

I am directed to acknowledge the receipt of your letter of the 7th ultimo, in reply to my communication of the 26th of June.

2nd. The Right Hon'ble the Governor-General in Council remarking that you have not adverted in your address to the concluding part of the 3rd paragraph of the letter from the Hon'ble the Court of Directors comprised in the Extract forwarded with my letter above-mentioned, His Lordship in Council is desirous of learning whether you have any observations to make on the wish intimated by the Hon'ble Court, that all Members of the Civil Service who are not now Members of the Civil Fund, should be induced to become subscribers to it.

Letter from the Managers of the Bengal Civil Fund, to the Secretary to the Government, dated 22nd September 1823.

We have the honor to acknowledge the receipt of your letter of the 4th instant.

2nd We regret that by omitting to notice the 3rd paragraph of the Hon'ble Court's letter, we have occasioned to Government the trouble of a further reference, and lose no time in supplying the omission.

3rd In truth until our attention was again drawn to the terms of the paragraph in question, it did not occur to us that so extensive a measure was contemplated as to induce every Member of the Service to contribute to the Fund, as well as those about to join the Service as individuals who have attained rank in it, and who refused when the option was given to them.

4th With regard to the former, we beg to state that of late years, subscription to the Fund has been general, and admissions are accompanied with a stipulation that appears to secure us from subsequent secession. But it may be advantageous that Government should add the authority of an intimation, such as, directed by the Hon'ble Court. With respect to the latter, we beg to submit it, as our opinion, that, supposing it to be possible to make the subscription universal, we think the Fund might securely undertake at the present rates of subscription to give to every member of the Service, without discrimination, the advantages now offered by the Rules of the Institution. We think, however, that this is all the Fund could undertake, and that the proffer of further benefits is out of the question, the rate of subscription, having been proved by experience not to be sufficient to cover the incumbrance which arises out of its present limited undertaking. As stated in our previous letter, there can be no extension of the inducements to subscribe, without a corresponding enhancement of the subscription, and this we deprecate any attempt to introduce, as calculated to diminish the number of our subscribers, and seriously to affect the best interests of the Institution.

5th The Hon'ble Court of Directors in expressing their wish that the non-subscribing Members of the Service shall one and all subscribe, and their determination to refuse compliance with any applications for relief on behalf of the widows and families of those who may not contribute, and probably anticipate that the notification of this will have extensive influence in making the contribution general.

6th We humbly submit that, were we to relax the existing rule for excluding those who have not joined the Institution in the first six months of their residence in the country, in reliance on the effect of a notification of the kind above alluded to, the consequence would be to bring on the Fund all the married men without means and all those whose constitutions threatened a necessity of proceeding shortly to Europe; while no one in such circumstances as to be above the necessity of looking to the Fund for aid would care to subscribe. We should thus add greatly to our eventual burthens, without any correspondent addition to our means. Even were we in opening the Fund to such subscribers to call upon them to make good their subscriptions from the date of their having been first invited, this would not prove a sufficient equivalent to us, for the Fund, as this Hon'ble Court must be well aware, is not founded on the principle that each individual's contribution shall, on the average, be sufficient to provide against the contingent burthen he may eventually bring on the Institution; but, on the contrary, relies for its main support on the charitable continuance of the subscriptions after the prospect of any eventual benefit has long been removed.

7th It is as a charity that we ventured to solicit the aid of the Hon'ble Court to the Institution

having, as we thought, satisfactorily shown the existing funds to be insufficient for the useful objects contemplated. Its poverty utterly prevents our entertaining any proposition calculated to increase its burthens, without providing ample and even superfluous means. Hence, we cannot consent to a partial admission of non-subscribers, and anticipate no benefit from the measures proposed by the Hon'ble Court for our relief. The considerate motives which have eventually influenced the suggestions contained in their letter deserve our warmest gratitude; but we much fear we have failed to explain fully the real character and condition of the Institution, else we cannot believe that the Hon'ble Court would not have accompanied their proposal to extend the objects undertaken by the Fund, without an offer of some corresponding donation equivalent to the proposed burthen.

Letter from Messrs. Tate and Smoult, to the Secretary of the Bengal Civil Fund, dated 20th April 1824.

We beg to inform you that we have received instructions to commence Proceedings in the Supreme Court against the Managers and Trustees of the Bengal Civil Fund to recover the amount due to Mrs. Ravenscroft by way of pension, under the Articles of that Fund.

Letter from the Managers and Trustees of the Bengal Civil Fund, to the Secretary to the Government, dated 26th April 1824.

We beg leave to request that you will be so obliging as to submit, for the information of the Right Honorable the Governor-General in Council, that our Secretary has been informed by Messrs. Tate and Smoult, Attornies-at-Law, that they have received instructions to commence proceedings in the Supreme Court against the Managers and Trustees of the Bengal Civil Fund to recover the amount due to Mrs. Ravenscroft by way of pension under the Articles of that Fund.

To show the grounds upon which proceedings are to be brought against the Managers and Trustees it will be necessary to state that Mrs. Ravenscroft is the widow of the late Mr. G. Ravenscroft, formerly Collector of Cawnpore, whose great irregularity in the payment of his subscriptions to the Fund, (though bound by the orders of Government to credit his subscription monthly) induced a General Quarterly Meeting of Subscribers held on the 29th day of October 1821 to resolve that unless his subscription was duly paid up previously to the next General Quarterly meeting (to be held on the 28th January 1822), his name should be erased from the list of subscribers to the Institution." Of this resolution Mr. Ravenscroft was duly informed by our Secretary, without any notice having been taken of it. It followed that the Resolution of the meeting of the 28th January 1822, and Mr. Ravenscroft's name was consequently erased from the list of subscribers, and of this also Mr. R. was duly informed, without any attempt having been made by him to recover the lost benefits of the Institution.

Should the Right Hon'ble the Governor-General in Council consider the proceedings of the general quarterly meetings as founded on equity, we humbly hope that his Lordship will be pleased to grant us the aid of the Hon'ble Company's Law Officers in defence of the suit with which we are threatened, and are strongly urged to solicit this favor from the present depressed state of the funds of the Institution, with which his Lordship in Council must be fully acquainted from our late communication to Government on the subject.

Letter from the Secretary to the Government of India, to the Managers of the Civil Fund, dated 29th April 1824.*

I am directed to acknowledge the receipt of your letter of the 26th instant, and to inform you that, in compliance with the request contained in it, the Law Officers of the Hon'ble Company have been desired to afford their assistance to your committee in defending the action about to be instituted against you in the Supreme Court for the purpose of recovering the amount stated to be due to Mrs. Ravenscroft by way of Pension under the Articles of the Civil Fund.

Letter from the Managers of the Civil Fund, to the Secretary to the Government of India, dated 29th April 1824.

We again feel ourselves under the necessity of obtruding the concerns of the Civil Fund upon the notice of His Lordship in Council, and have therefore to solicit the favor of your submitting, for His Lordship's information, that under the late alteration in the nature of the Hon'ble Company's Finances, we are divested of the means of making the required remittance to England for the payment of the Pensioners of the Institution resident there, without a very heavy charge upon the Fund, which it is at present almost inadequate to bear. We therefore humbly trust that His Lordship in Council, in consideration of the extensive benefits resulting from the Institution, and that of the fact that those who benefit by the charity for the most part reside at home, will be pleased to direct the Accountant-General to grant bills for such dividends as may fall due from time to time in favor of the Agents of the Fund residing in Europe, under the advertisement issued on the Territorial Department, dated the 14th of February 1822, and to sanction the Sub-Treasurer receiving from our Treasurer such further sum as may be required to make up the necessary remittance, estimated at £8,000, for bills to be granted on the Hon'ble Court of Directors at the same rate of exchange, *viz.*, 2*s.* 1*d.*†

To strengthen our claim to such an indulgence, we beg leave to advert to the advantages which the Civil Fund of the sister Presidency has over that here, from the Honorable Court of Directors having sanctioned an interest of 8 per cent. per annum to be paid upon the amount of the Funds in the Treasury, instead of 5 per cent. now allowed upon ours, the difference between the two rates of interest acting against our Funds to the extent of upwards of Rs. 20,000 per annum.

Letter from the Government of India, to the Managers of the Civil Fund, dated 6th May 1824.

I am directed to acknowledge the receipt of your letter of the 29th ultimo, and to inform you that, under the circumstances therein represented, of your inability to make remittances to England for the payment of the Pensioners of the Institution resident there, without entailing a heavy charge upon the funds under your management, the Right Hon'ble the Governor-General in Council has resolved, in compliance with your application, to authorize the Accountant-General to grant bills

---

* NOTE.—This threatened action appears not to have been taken.

† This is 2*s.* 1*d.* per sicca rupee.

for such dividends as may fall due, from time to time, in favor of the Agents of the Funds in Europe, under the advertisement dated the 14th February 1822, issued from the Territorial Department. The Acting Sub-Treasurer will also be instructed, as requested by you, to receive from your Treasurer, for bills to be granted on the Hon'ble Court of Directors at an exchange of 2*s.* 1*d.* per Sicca Rupee, such further sum as may be required to make up the estimated amount of £8,000, which you are now desirous of remitting to England.

The necessary orders for carrying the foregoing resolution into effect will be issued from the proper Department.

Letter from the Managers of the Bengal Civil Fund, to the Secretary to the Government, dated 7th February 1825.

The demands upon the Funds of our Institution for remittances to England greatly exceeding the interest of our capital, we again find ourselves obliged to solicit that you will be pleased to submit to the indulgent consideration of His Lordship in Council, our request that the Accountant-General may be authorized to receive from our Treasurer, a sum adequate to a remittance of £10,000 at 2*s.* 1*d.* per rupee.

From the correspondence which has already been before His Lordship in Council, we deem it unnecessary to obtrude upon His Lordship's time again by a recapitulation of the essential benefits originating from our Institution. It may not, however, be irrelevant to state that our present application to Government arises from the circumstance of several widows and children having recently proceeded to England, and an unprecedented addition during the last twelve months to our list of subscribers upon sick certificate, the latter adding to the demands for the ensuing year no less than £3,250.

It must be almost superfluous to notice that while the value of our Funds has been reduced by the improvement of public credit, and the consequent fall of interest, the institution has equally suffered by the state of the exchange with England. For the remittance now sought, even though obtained on favorable terms through the liberality of Government, the sum to be paid will exceed that which would have sufficed a few years ago, by an amount equalling nearly the annual pensions of seven widows.

Letter from the Secretary to the Government, to the Managers of the Civil Fund, dated 17th February 1825.

I am directed to acknowledge the receipt of your letter of the 7th instant, and to inform you that, under the circumstances therein stated, the Accountant-General will be authorized, in compliance with your application, to receive from your Treasurer a sum adequate to the remittance to England of £10,000 at the exchange of 2*s.* 1*d.* per Rupee, and to grant Bills on the Hon'ble the Court of Directors in favor of the Agents of the Fund in Europe for the amount.

The necessary orders for carrying the foregoing resolution into effect will be issued from the proper Department.

Letter from the Managers of the Civil Fund, to the Secretary to the Government of India, dated 27th March 1826.

The Managers of the Civil Fund, in their address to Mr. Acting Chief Secretary Bayley, under date the 15th October 1817, submitted, in accordance to the wishes of a General Quarterly Meeting of the subscribers, a concise statement of the resources of the Institution to the Hon'ble the Vice-President in Council, and solicited his support to the appeal which the Managers were then reluctantly compelled to make to the liberal and humane consideration of the Honorable the Court of Directors.*

Mr. Acting Secretary Trotter's letter of the 6th March 1818 acknowledges the receipt of the above representation, and informs the Managers that copies of it and its enclosures would be forwarded to the Honorable the Court of Directors, and that the Vice-President in Council would request the favorable attention of the Honorable Court to the state of the resources of the Institution, and to the appeal made to the liberality of the Honorable Court for such further pecuniary aid as they might be pleased to extend to it.

We have no doubt that our appeal must have so satisfied the Honorable Court of the extensive benefits which had resulted from the establishment of the Civil Fund, as to render superfluous any detailed exposition on that head. But the Honorable Court have probably been led to suppose that the stability of the Fund would be sufficiently secured by the measure suggested in the above letter, and subsequently adopted by them, of rendering subscription to the Fund obligatory on all persons subsequently entering the Civil Service. Hence we imagine our failure to secure any augmentation of their bounty.

It is now our painful duty to report the anticipations of embarrassment then expected have been more than realized. The measure adverted to, though clearly beneficial, was by no means adequate to the exigency of the case.

The demands on the Fund indeed have far exceeded our expectations, and we are hence impelled to bring its present state to the notice of the Right Honorable the Governor-General in Council, in the hope that by the timely and benevolent interposition of Government, an Institution of such acknowledged utility may be preserved from the ruin which threatens it.

We therefore request that you will submit to His Lordship in Council the accompanying statement of the Funds of the Institution on the 30th January last, from which it will appear that the demands upon the Fund exceed its annual income in the sum of Sicca Rs. 12,240 per annum.

We solicit also the notice of the Governor-General in Council to the statement inserted below of the number of incumbents on the Fund in the year 1817, contrasted with that for which it has now to provide, which at once exhibits the increased charges of the Institution and the heavy expenditure which this enlarged diffusion of its benefits has produced. The total of admissions to the benefits of the Institution has been 42 widows, 101 children, and 69 Civil Servants who have proceeded to Europe on certificate of ill-health, involving an outlay of Sicca Rs. 15,80,000.

The Managers, in their letter of the 15th October 1817, paragraphs 24 and 25, alluded to the causes which had so materially contributed to the embarrassment of the Fund. We now take the liberty of subjoining a statement, No. 2, exhibiting the amount which would have accrued to the Fund had it pleased the Honorable Court of Directors to have extended their bounty by sanctioning the

payment of their annual donation of £2,500 per annum from the period when the Institution came into active operation, *viz.*, 1st January 1804, to which we have added the loss to the Fund arising out of the reduction of the interest on the public funds, and rate of exchange on the remittances which are annually required for the payment of the pensions of incumbents on the Fund residing in England.

It will, of course, occur to the Governor-General in Council that the recent orders of the Honorable the Court of Directors relative to furlough will relieve the Civil Fund from that part of its expenses which used to be incurred on account of allowances to members of it proceeding to England in consequence of ill-health. That relief, however, will, in fact, be but inconsiderable, for the Fund has for some time past ceased to grant allowances to invalids as donations, and until the Honorable Court's orders above referred to came into effect, such allowances were granted in the shape of advances, to be re-paid hereafter without interest, so that the actual relief to the Fund by the Honorable Court's recent arrangements will be confined to the saving of interest on the amount advanced to invalids, and to the exemption of the Fund from the risk of failure in the re-payment of the principal advanced.

The deterioration of our resources being thus so manifest and alarming, we must contemplate the adoption of retrenchments most painfully affecting the comfort of numerous individuals, and curtailing the already narrow stipends which now constitute the support of the widows and orphans of our deceased fellow-servants, who died in the confidence that their families were permanently and respectably provided for, unless the beneficence of the Government shall interpose to prevent so distressing a necessity.

Our reluctance to adopt such a measure is not, indeed, founded solely on the immediate effects which it must have upon the incumbents. We fear it might lead to the secession from the Fund of many who now continue their contributions from charitable motives, and thus accelerate the mischief which it was designed to obviate: the same consideration applies to any proposition for altering the rate of contribution. And as our embarrassments have mainly arisen from a reduction of interest, against which the Honorable Court have liberally guaranteed other similar Institutions, we trust we may be permitted to look to their humane consideration for the means of extricating the Fund from its pressing difficulties.

We presume to suggest a source from which, in our judgment, the solicited relief may be afforded without that sacrifice on the part of Government which a considerable alienation of the public money might, at first sight, appear to involve. We allude to the fund which has accumulated from the deductions made from the allowances of Civil Servants absent on account of ill-health, or on their private affairs. In the resolution of the Governor-General in Council of the 1st March 1817, it is expressly declared to be the object of Government merely to save the Honorable Company from the expense hitherto occasioned by the absence of their servants from their stations; but His Lordship in Council will observe, from the enclosed statement, No. 3, that the deductions at the end of the year, 1824-25, exceeded the expenses of extra allowances in the amount of Rs. 5,12,460, and this amount, therefore, we respectfully suggest, might be appropriated to the relief of the Civil Fund. It is apparently impossible so to regulate the deductions to be made from individual salaries as that they shall precisely meet the extra expense to which Govern-

ment is subjected in providing substitutes for the absentees. But the object of Government of preserving itself from loss on account of extra allowances having been secured, it will not perhaps appear inequitable that the surplus deductions may in this manner be restored to the Service from which it has been declared that it was not the intention of Government to exact more than the accomplishment of the avowed purpose should demand.

Should the Government acquiesce in the justice of this argument, and bestow upon the Fund the amount of surplus deductions which have already accumulated, we are induced to hope that the liberality of His Lordship in Council will also be pleased to authorise that the annual surplus which may henceforth accrue in providing substitutes for absentees may be allotted towards the maintenance of the Civil Fund.

Letter from the Secretary to the Government of India, to the Managers of the Bengal Civil Fund, dated 21st April 1826.

I am directed to acknowledge the receipt of your letter of the 27th ultimo.

2nd. The Governor-General in Council would regret to see an Institution of such unquestionable utility reduced to the state of inefficiency which you contemplate, and which your representation appears to show just grounds for apprehending.

3rd. The Hon'ble the Court of Directors, having, with reference to the application of the Managers of the Civil Fund, dated the 15th of October 1817, repeated their refusal to give the solicited retrospective operation of four years to their annual donation of £2,500 Sterling, His Lordship in Council would not be justified in going the length you propose, for the purpose of removing the embarrassments which press upon the Fund without the previous sanction of the Hon'ble Court; but His Lordship in Council has been pleased to adopt a resolution for the relief of the present exigencies of the Fund to the following effect.

4th. You are authorized to draw from the General Treasury the sum of Sicca Rupees 2,000 monthly, commencing from the 1st proximo, until the orders of the Hon'ble the Court of Directors shall be received upon the subject of your representation.

5th. The Governor-General in Council is of opinion that the gain of interest included in the statement of the amount of stoppages on account of leave of absence, furnished with your letter, and stated by the Civil Auditor to amount to Rs 1,36,576, is not applicable to the purposes of the Civil Fund. The principle on which this interest is calculated has not yet been appropriated to it, but it will be recommended to the Hon'ble Court that the principal amount of the accumulation, being at the end of the official year 1824-25 Sicca Rs 3,75,884, be granted to the Civil Fund; and that the Annual Surplus in future be also allotted to that Institution, so long as its annual receipts may continue, at present, to be insufficient for the fulfilment of its obligation towards the widows and children whom it is engaged to maintain.

6th. In conformity likewise to the practice observed with regard to the Civil Funds of Madras and Bombay, the Hon'ble Court will be solicited to allow 8 per cent. interest on the property of the Fund.

7th. His Lordship in Council being of opinion that it would be desirable at the same time to submit an estimate of the maximum of the growing demands on the Fund, compared with the annual

contributions which may be expected, when the whole of the Civil Servants of this Presidency shall become subscribers, under the Rule established by the Court of Directors in 1823; you are requested to furnish a document of that description, framed as accurately as possible, for transmission to the Hon'ble Court.

Letter from the Managers of the Bengal Civil Fund, to the Secretary to the Government of India, dated 21st June 1826.

We have the honor to acknowledge the receipt of your letter of the 21st April, in reply to our address of the 27th March.

2nd. We request that you will communicate to the Right Hon'ble the Governor-General in Council our grateful sense of the beneficent consideration which has been given to our representation of the present depressed state of the Institution under our management, evinced by a resolution authorizing us to draw from the General Treasury the sum of Sicca Rs. 2,000 per mensem from the 1st proximo, until the pleasure of the Honorable Court of Directors be ascertained.

3rd. We beg, also, to offer our respectful thanks to His Lordship in Council for the additional aid with which he is desirous of strengthening the resources of the Institution by the promise of recommending to the Honorable Court that the principal amount of the accumulation of the stoppages on account of absence, being at the end of the year 1824-25 Rupees 3,75,884, be granted to the Civil Fund, and that the annual surplus in future be also allotted to the Institution, so long as its annual receipts may continue, as at present, insufficient for the fulfilment of its obligations towards the widows and children whom it is engaged to maintain; and interest at the rate of 8 per cent. on the property of the Fund.

4th. With reference to the 7th paragraph of your letter, we beg to state, that, unlike the plans of common Insurance Societies, which, being of a definite character, admit of a sufficiently accurate calculation to be made on each case, so that adequate means are secured to cover the concomitant risk. The plan of this Institution is, on the contrary, liable to indefinite claims, which elude the power of calculation, or would force it to so loose an hypothesis as to render its results very problematical. With a view, however, of proving that the aid so liberally afforded by the Governor-General in Council has not been prematurely required, we beg to annex a Statement, with supplementary documents, from which it will be seen that, in the disastrous event of our having failed in obtaining the same, it would have become imperative upon us to have resorted to the distressing, but necessary, measure, of reducing the Income of the present Incumbents on the Fund in the very considerable proportion of nearly one-third.

5th. His Lordship's timely succour, and the favourable circumstance of the improved habits of the service, generally in matters of domestic economy, which would seem to give fair promise of a more slight dependance in future on the Fund for the support of widows and fatherless children, encourage the belief that a reduction of the Income of the present Incumbents is not immediately necessary, and console us with the hope of being able to satisfy all the future engagements of the Fund. But judging only from past experience, which demonstrates a rapid increase of claims against the Fund in an inconsiderable term of years, its future progress must be viewed with anxiety.

6th. In consequence of the late resolution of the Hon'ble Court, which exacts as a condition of entering their Covenanted Service, that its members contribute to the support of the Civil Fund; and assuming that the numerical strength of the Civil Service shall continue as it now stands, we may reasonably compute the amount of contribution at Sicca Rs. 1,08,000, yielding an excess beyond that now received in the monthly sum of Sicca Rs. 1,800. And we beg to add that, should the Hon'ble Court be pleased to grant an interest of 8 per cent. on our Funds, that the difference of 3 per cent. upon our present Capital will be Rs. 13,296, or Sicca Rs. 1,108 per month.

Extract from a Public General Letter from the Hon'ble the Court of Directors, dated the 8th April 1828.

2. The Managers of the Civil Fund, in their letter to you dated, the 27th March 1826, submit a statement showing that the demands upon the Institution exceed its annual income in the sum of 12,240 Sicca Rupees per annum. The Managers, in the same letter, observe that the relief to the Fund by the operation of our regulations granting absentee allowances to Civil Servants when in Europe will be inconsiderable, the Fund having granted relief to invalids only as advances.

3. We are at a loss to reconcile this observation with the fact that the statement of the Managers, which exhibits a deficiency of 12,240 Sicca Rupees per annum, actually includes a charge to the Fund of 28,428 Rupees per annum for gentlemen in Europe for health.

4. If, as the Managers remark, and as we believe to be the case, relief of that description has been granted only in the way of loan, this item ought not to have been included among the regular charges; and if the Managers are mistaken in their observations, and such relief has continued to be afforded as donations to individuals, then the Fund will be greatly relieved from future similar charges by the regulations which provide that a considerable number of Civil Servants coming to Europe shall receive allowances from us, and shall not simultaneously receive anything from the Fund.

5. In either case, therefore, the estimate of charges upon the Fund for invalid Servants must be revised. If the charge is omitted, the effect of the correction will be that, instead of the Fund being deficient, as stated by the Managers, to the extent of 12,240 Sicca Rupees per annum, it will have a surplus income of 16,188 Sicca Rupees per annum.

6. We admit that this is a small surplus for a Fund, the demands upon which cannot yet have reached their maximum amount, and that it is desirable to adopt suitable arrangements to preserve from future embarrassment an Institution whose objects we so cordially approve.

7. Two measures are proposed to us with a view to that object, *viz.*:—

The grant to the Fund of the past and future accumulations of the allowances of Servants absent, within the limits of the charter, in excess of the allowances paid to their substitutes; and

The grant to the Fund of difference of interest between six and eight per cent. per annum.

8. Upon the first of these proposals, we must observe that, if we could admit the principle that the Service at large was entitled in the shape of contribution to a Fund in which they are generally interested to the benefit of sums saved by the

temporary absence of individuals, still we could not consider any saving to have accrued, until the balance of allowances of absentees within the limits of the charter exceeded our payments to absentees in Europe, which, as you are aware, are of large and increasing amount.

9. But the principle is one which we deem totally inadmissible.

10. The results of the Absentee Regulations, whether ultimately beneficial or prejudicial to our financial interests, must be considered as merging in the general results of our affairs. If the operation of these Regulations involve a charge, our Civil Servants are not called upon to make it good, and if at any particular period it appears to involve a profit, the Service has no claim to it.

11. We must, therefore, decline to grant the accumulations of the Absentee Fund at your Presidency to the Civil Fund.

12. With respect to the rate of interest, although we deem it generally objectionable to sanction the payment by the Government of any higher rate than that borne by the register debt, yet as, under special circumstances, the Civil Funds at Madras and Bombay receive an equivalent for the difference between the existing rate of interest and 8 per cent. per annum, we are disposed to grant assistance to your Civil Fund upon a corresponding principle.

13. We, therefore, authorize you to grant to the Fund simple interest upon the capital it has possessed, at such rate as shall augment the rate received by the Fund to 8 per cent. per annum from the 15th October 1817, the date of the former application from the Managers of the Fund; and we desire that in future the difference between the interest upon its capital at the rate borne by our securities, and 8 per cent., be also paid to the Fund.

14. From the sum thus payable to the Fund you will deduct the amount which you have advanced to it, at the rate of 2,000 rupees per month, pending a reference to us.

15. The sum which will be paid to the Fund under this arrangement, together with the increased rate of interest now conceded, will, we have no doubt, be sufficient to meet its present exigencies. We desire to be informed of the precise amount which you pay to the Fund under these instructions.

16. You will apprize the Managers that this is the utmost extent to which we can afford the aid of the Company to the Civil Fund. If it should still prove inadequate to the payment of the annuitants, the deficiency must be met, either by a reduction in the amount of the annuities or an increase in the rate of contribution.

Extract of a letter from Messrs. Cockerell, Trail and Co., to the Trustees and Managers of the Bengal Civil Fund, dated 11th July 1829.

* * * *

We observe that you have not yet decided on the propriety of applying to the Government for an advance in this country as proposed by us, but that immediate measures will be taken for forwarding to us a remittance of £12,000.

The East India Company have called upon us either to give our bond for the £10,000 taken up by us in June 1828, in the event of its renewal for six months from this time, or to refund the same, which last will leave your account in debit. We, therefore, trust you will see the expediency of adopting some plan by which we may be amply

supplied with means to meet the large and growing demands upon the Fund in this country, without having recourse to the Company, upon our own personal security, as in the late instance.

Extract from the proceedings of a Special Meeting of the Managers of the Civil Fund, dated 9th January 1830.

First. That for the remittance now required, bills be forwarded to the care of Messrs. Cockerell, Trail and Co., drawn in favor of H. Stone and H. Alexander as Trustees to the Fund, and that advice be forwarded to those gentlemen, of the remittance so made.

Second. That as Messrs. Cockerell, Trail and Co. decline making advances for the future, Messrs. Coutts and Co. be requested to act as Agents to the Fund, and to make the requisite advances.

Third. That at the same time, the Court of Directors be solicited to repay to Messrs. Coutts and Co. such advances as they may from time to time find it necessary to make to meet the demands of annuitants in England, and to furnish advice of the same to this Government, authorizing the Managers here to pay into the Government Treasury such amount as may cover the advances so made in England, at the most favorable rate that circumstance will permit, in the same manner as it is understood facilities are granted with regard to the Civil Fund at Madras.

Fourth. That Messrs. Stone and Alexander be requested to give early information as to the result of the measures now proposed, in order that, if not acceded to, the Managers may proceed to remit the necessary sums in bills drawn in their favor, as on the present occasion.

Fifth. That the Trustees be requested to desire Messrs. Cockerell, Trail and Co. to deliver into their hands all balances belonging to the Fund, and to make them over to Messrs. Coutts and Co., in the event of that house undertaking the trust, otherwise to retain possession of the same until the receipt of further advices.

Sixth. That the above request (as contained in the Resolution) be urged through the medium of this Government; and that an urgent appeal be made to the Government to exert its influence in securing for the Fund the advantage above contemplated, for a more safe and convenient method of making payments in England.

Extract from Proceedings of a General Quarterly Meeting of Subscribers, held on the 25th January 1830.

The proposition of the Managers at a meeting held on the 9th instant (9th January 1830), *viz.*, that as Messrs. Cockerell, Trail and Company decline making advances for the future, Messrs. Coutts and Company be requested to act as Agents to the Fund, and to make the requisite advances; being read, it was proposed by the Chairman that, in the first instance, the Court of Directors be solicited to undertake the payment of stipends at home, and in the event of this not being complied with, then that Messrs. Coutts and Company be requested to act as proposed by the Managers.

Approved *nem. con.*

Letter from the Managers of the Bengal Civil Fund, to the Acting Secretary to Government, General Department, dated 2nd February 1830.

The Managers of the Civil Fund, having recently received a letter from Messrs. Cockerell, Trail and Company, Agents to the Civil Fund in

England, wherein they decline to make advances for the payment of the stipends due to annuitants in the manner heretofore observed, the Managers of the Civil Fund deemed it their duty to submit the said letter for the consideration of the members assembled at the last General Quarterly Meeting, held at the Town Hall on Monday, the 25th day of January last. In conformity with the wishes of that meeting, we now beg urgently to request the attention of the Right Hon'ble the Governor-General in Council to the following resolution, then proposed and approved of—"That as Messrs. Cockerell, Trail and Company decline making advances for the future, the Hon'ble the Court of Directors be solicited to undertake the payment of the stipends at home."

The meeting, at the same time, thought it right to propose that, in the event of the above solicitation not being complied with by the Hon'ble the Court of Directors, then Messrs. Coutts and Company be requested to act as Agents to the Fund, and to make the requisite advances, and that the Hon'ble the Court of Directors be solicited to repay to Messrs. Coutts and Company such advances as they may from time to time find it necessary to make to meet the demands of annuitants in England, the Hon'ble Court directing advices of the same to be furnished to this Government, with authority to the Managers here to pay into the Government Treasury such amounts as may cover the advances made in England at the most favorable rate that circumstances will permit, in the same manner as it is understood facilities are granted with regard to the Civil Fund at Madras, and that the Right Hon'ble the Governor-General in Council will be pleased to recommend to the Hon'ble Court that the advantage above contemplated be extended to the Bengal Civil Fund.

Under the above circumstances, we earnestly request that the Right Hon'ble the Governor-General in Council will be pleased to take an early opportunity of bringing this address to the notice of the Hon'ble the Court of Directors, with a recommendation in favor of the adoption of one or other of the arrangements above submitted, thereby ensuring to the Fund a safe and convenient method of effecting disbursements and remittances, and essentially contributing to its stability and welfare.

Extract from a letter of Messrs. Cockerell, Trail and Company, to the Managers of the Bengal Civil Fund, dated 9th August 1830.

Our friends in Calcutta will lay before you copy of a letter from Messrs. Stone and Alexander, requesting us to continue the Agency of the Fund in London, and to which we have acceded with readiness, and you may rely upon our best exertions for the protection of the interests entrusted to us. Messrs. Stone and Alexander intend applying to the Court of Directors to make advances to the Civil Fund as in other cases, and you shall be advised of the result.

Letter from the Secretary to the Hon'ble Court of Directors, to Messrs Cockerell, Trail & Co., dated 1st January 1831.

In reference to a letter respecting the mode which should be hereafter adopted to meet the demands in the country upon the Bengal Civil Fund, I am commanded by the Court of Directors of the East India Company to acquaint you that, in a despatch recently received from the Bengal Government, certain proposals regarding the future payments in England on account of that institution have been submitted for the Court's consi-

deration, upon which it is their intention shortly to enter; but that, in the mean time, the Court, being informed, that you have undertaken to make the payments now due to the annuitants have passed a warrant in your favor for the sum of £2,500, being the amount of the Court's annual donation to the Fund. As, however, the receipt of that sum will enable you to meet all demands, without availing yourselves of the £3,000 which the Court in November last agreed to make upon security, but which you have declined to receive upon that condition, the Court have directed the warrant which was passed by them on that account to be cancelled, which has been done accordingly.

Extract from a letter of Messrs. Cockerell Trail & Co., to the Managers and Trustees of the Civil Fund, dated 14th January 1831.

We shall now proceed to state our position with the Fund, which, with the information you will receive from the Trustees, Messrs. Stone and Alexander, and the subjoined copy of a letter from Mr. Auber, will enable you to form your judgment on its prospective state and future management.

Our previous correspondence will have informed you the obligation we placed ourselves under to repay to the Hon'ble Court the sum of £8,000 in December last. This loan has been extended to June next, under the securities before given, at interest at 5 per cent., and we have been placed by the Trustees in a position to meet the payment by their handing to us your remittance of £9,000 made to them in your letter of 28th June 1830.

We have had very frequent meetings with Messrs. Stone and Alexander, and also the Secretary of the Hon'ble Court, Mr. Auber, and from the representations which have been made, we are led to hope the Hon'ble Court have it in contemplation to place the Bengal Civil Fund in the same position as that of the Bengal Military Fund (under our Agency), and also that of the Madras Civil Fund, viz., upon a representation of the wants of the Fund for the forthcoming half year, it will grant advances to the Agents, by their bills on the Managers in India, at the favorable rate of 2*s.* 4*d.* per Sicca Rupee; should this arrangement be carried into effect, it is our intention, with the sanction of Messrs. Stone and Alexander, to apply to the Hon'ble Court to receive payment of their loan by bills upon you at the rate of 2*s.* 4*d.* per Sicca Rupee, holding the remittance in hand, due June next, to make the July payments.

Extract from a letter of the Secretary, Civil Fund, to J. S. Brownrigg, Esq., dated 22nd January 1831.

Having laid before the Managers of the Civil Fund your letter of the 12th instant with its accompaniments, I am directed to state in reply that, should the Hon'ble the Court of Directors, who were addressed some time ago upon the subject, decline to extend to the Bengal Civil Fund the indulgence granted to the Madras Fund of undertaking the payments of the stipendiaries at home, the arrangements made with your firm in London, Messrs. Cockerell, Trail & Co., by our Trustees, Messrs. H. Stone and H. Alexander, shall be confirmed.

Despatch from the Court of Directors, to the Government of India, No. 31, dated 22nd April 1831.

We must decline to undertake the payment of the pensions of the Civil Fund to annuitants resident in England.

2. We observe that the remittances of the requisite funds to enable the Agents to pay these pensions have hitherto been made by means of your bills upon

us, drawn at 2s. 1d. the sicca rupee, and much inconvenience has occasionally been experienced from the delay and uncertainty attending such remittances, in proof of which it has of late become necessary for us to make advances to the Agents, taking security for our reimbursement out of the proceeds of expected bills.

3. To remedy this inconvenience, we have determined in future to make advances to the Agents on their bills on the Managers of the Fund in Bengal, payable at 2s. 1d. the sicca rupee, and bearing interest at 4 per cent. per annum from the date of the bill until the date of repayment, and you will, therefore, not grant to the Managers in India any bills upon us after the receipt of this despatch.

4. The amount of the advances will, of course, be restricted to the amount absolutely required to meet the demand in England, and for this purpose the Agents must, upon any application for an advance, produce their account current with the Fund for the year preceding, and a prospective estimate.

5. Adverting to the increase of contribution authorised by our despatch dated the 8th of April 1828, and to the distinct communication contained in the 16th paragraph of it, "that this is the utmost extent to which we can afford the aid of the Company," we cannot consent to grant to your Civil Fund any further assistance, either directly, or in the rate of exchange, or in any other mode.

From Messrs. Cockerell, Trail and Co. to the Managers of the Civil Fund, dated 4th June 1831.

1st. With reference to our letter of the 14th January last, we have now the honor to inform you we have received intimation that the Court of Directors have acceded to the application made to them, and have placed the Bengal Civil Fund on the same footing as the Madras Civil Fund, viz., on the representation of the Agents of the wants of the Fund for the approaching half-year, they will grant a supply for Bills on the Managers in India at the rate of 2s. 1d. per sicca rupee.

2nd. To enable the Fund to profit by this arrangement, the Court have called upon us to deliver up, to be cancelled, all Bills in hand, and we are prepared accordingly to deliver up to them your remittances of £9,000 due on 24th instant, and also that of £6,000 due 20th December next.

3rd. The Court have already accepted our bill on you, £8,341-3, on account of their advance of £8,000 and interest, made to us in the month of June 1830, of which we have duly advised you, and to which we beg to claim your protection; and agreeably to their minute, we have again applied to them for an advance of £9,000 to meet the claims of the Fund, to be had on the 1st proximo, and which we shall be also called upon to pass our bill upon you at the same rate of exchange.

Letter from Messrs. Cockerell. Trail & Co., to the Managers of the Civil Fund, dated 10th June 1831.

We beg reference to our letter of the 4th instant, and have now the pleasure to advise having this day received from the Court of Directors of the East India Company the sum of £9,000 for our bill on you, at the exchange of 2s. 1d. per sicca rupee, and interest thereon to date of payment at 4 per cent. per annum. We have delivered up to the East India Company the bills we held upon them for £9,000 and £6,000, and in the hope of receiving your confirmation hereof.

Form of Draft drawn by Messrs. Cockerell and Co., on the President and Managers of the Bengal Civil Fund.

London, December 1831.

Exchange for £ . At twelve months after date of this our First of Exchange (Second and Third of the same tenor and date being unpaid), pay to the order of the Governor-General in Council the sum of Eleven thousand seven hundred pounds, at the exchange of 1s. 11*d.* per sicca rupee, for value received.

From the Managers of the Civil Fund, to the Officiating Secretary to the Government of India, dated December 1831.

Messrs. Cockerell, Trail and Co. having advised us under date 10th June last, that they had delivered to the Honorable the Court of Directors, for the purpose of being cancelled, two sets of bills drawn on them by this Government, under dates 21st June and 17th December 1830, for £9,000 and £6,000 respectively, taking up in their stead £9,000, for which they have drawn upon us the enclosed draft at sight in favor of the Governor-General in Council, bearing interest at 4 per cent. per annum, we have in consequence the honor to request that instructions may be issued to the Sub-Treasurer to reinvest the value of the £15,000 Bills which were delivered up to be cancelled, together with the interest thereon from the periods when the transfers took effect to the present time.

From the Managers of the Bengal Civil Fund, to the Secretary to Government of India, dated 10th December 1831.

Previously to our acceptance of a draft which has been drawn upon us at sight by Messrs. Cockerell, Trail & Co. of London, under date 10th June last, in favor of the Governor-General in Council, for £9,000 sterling, bearing interest at 4 per cent per annum, we have the honor to request that the two sets of bills for £9,000 and £6,000 respectively, which, we have been advised by the drawers of the above mentioned bill, had been delivered up by them to the East India Company may, be returned to us cancelled, and that the Sub-Treasurer be directed to reinvest their amount in Government Securities, bearing interest from 21st June and 17th December 1830, the dates when the under mentioned Securities were cancelled, for the purpose of obtaining those bills for remittance.

From the Managers of the Bengal Civil Fund, to the Officiating Secretary to the Government, dated 19th December 1831.

Having issued the necessary instructions to the Treasurer to the Civil Fund, to discharge the bill, dated 10th June 1831, drawn on us by Messrs. Cockerell, Trail & Co. at sight, in favor of the Governor-General in Council, for the sum of £9,000 sterling, at the rate therein stated, namely 2*s.* 1*d.* per sicca rupee, and interest thereon from date of said bill to date of payment at four per cent. per annum, we have the honor, in consequence to request that the Sub-Treasurer be directed, upon receipt of the money, to write back on the books of the General Treasury, to the credit of the Civil Fund and to the debit of London the transfer that had taken place upon those books when, under dates 21st June and 17th December 1830, we obtained bills on the Hon'ble the Court of Directors for £9,000 and £6,000 respectively, which bills Messrs. Cockerell, Trail & Co. have

advised us they had delivered to the Hon'ble Court for cancellation when they drew the above-mentioned bill, which we have directed to be paid. We further beg to request that Government will be pleased to instruct the Sub-Treasurer, in making the transfer just adverted to, to include interest thereon, and to re-invest, with the usual interest, both principal and interest in a Treasury Note.

Letter from the Sub-Treasurer of Government and Treasurer of the Civil Fund, to the Managers of the Civil Fund, dated 7th July 1831.

As Treasurer of the Civil Fund, I deem it my duty to state, for the information and orders of the Managers, that an opportunity now offers of increasing the capital of the Fund to the extent of Sicca Rs. 16,614, by the sale of a Promissory Note for Rs. 5,53,800, belonging to the 3rd class of the Loan advertised for payment, which may now be sold at a premium of 3 per cent.

2nd. The Hon'ble Court allow 8 per cent. on the capital of the Fund, and there cannot, I imagine, be any objection on the part of Government to this mode of increasing it.

3rd. Should the Managers approve of this suggestion, it will be necessary to obtain the authority of Government to carry the measure into execution.

Note of two Managers, dated 9th July 1831.

The notes of Mr. G. S. and Mr. W. W. B. (who the latter gentleman is I am not aware) appear to me to call for observation; and I request the following may be submitted for their information, which they are evidently much in need of in respect to the subject under consideration. Mr. Swinton asks why we have kept the 5 per cent. note so long, if the Government allow us 8 per cent. *on any part* of our Capital, and observes that it would have been better to have sold out even *at a great discount* for the sake of getting such high interest. At the same time he expresses himself averse to propose the contemplated arrangement, viz. the increase of capital *by the sale of the paper at a premium*, and cannot imagine that Government will consent to it. I confess I do not understand such reasoning. It is stated in my letter that the Hon'ble Court allow 8 per cent. on the capital of the Fund *(the whole capital)*, of which the 5 per cent. Note for Rs. 5,53,800 forms a part, and on which 3 per cent. additional interest has been regularly received. This, perhaps, will account to Mr. S. for our having kept the note so long, as nothing has been lost by so doing. The Hon'ble Court and the Government have given substantial proofs of being well disposed towards the Fund, and would, no doubt, be glad to see its Capital increased, and, I am satisfied, will not object to the proposed mode of increasing it, which any individual would have a legal right to exercise, and which in many other respects will prove beneficial.

Note of the Sub-Treasurer, dated 9th July 1831.

Mr. W. W. B. asks, why the amount, under such circumstances, was vested in the 5 per cents. at all, and seems to regret if the proposed arrangement be allowable, that the Treasurer did not consider it his duty to suggest it before. This appears to me to cast an indirect censure on the Treasurer, or, at least, to evince a very great readiness to do so, which can only originate in his ignorance of the circumstances of the Fund, and partly no doubt in his own liberal and charitable disposition. Had he taken the trouble to look

into the printed plan of the Fund sent in circulation by the Secretary, he would have discovered that all sums, excepting such as were reserved to defray the current expenses, were vested in Government Securities. The 5 per cent. paper which it is now proposed to dispose of, was so acquired, and formed part of the original funds long before the issue of the 8 per cent. notes was authorised, or that that rate of interest was allowed on the *whole capital, in whatever shape*; and Mr. W. W. B. will now perhaps do the Treasurer the justice to believe that he did not propose the measure before, because no such decidedly favorable opportunity of increasing the capital of the Fund occurred.

Mr. Morley is quite right as to the competency of the Managers to decide on the point, as far as regards the disposal of the Securities; the reference to Government, if necessary, is so on the part of the Sub-Treasurer as regards the issue of the 8 per cent. notes.

Mr. Thomason's view of the case is a clear and correct one. To me it is personally a matter of perfect indifference, and I now wait the instructions of the Managers.

Letter from the Honorable Court of Directors, Public Department, No. 46 of 1838, to the Governor-General of India in Council at Fort William in Bengal.

Our attention has lately been directed to the mode adopted for aiding the several compassionate Civil and Military Funds in India, by the grants of interest at 8 per cent. per annum on their balances, and of high rates of exchange, principally at 2*s.* 4*d.* the rupee, in effecting their remittances.

2. From the statement annexed, you will observe that the aggregate amount expended by us in the support of these Funds is £71,020 per annum, of which only £14,365 arises from direct contribution. The remaining sum of £56,655 is expended in interest beyond the ordinary rate, and in exchange.

3. The rates of interest and exchange were no doubt formerly justified by those actually in use in general transactions, but that has long ceased to be the case. The interest on the registered debt of India incurred of late years is five per cent., and the sicca rupee remitted to England in bullion does not produce more than 1*s.* 11*d.*, whilst the average out-turn of all descriptions of remittances effected by the Company during the last three years has fallen below that rate of exchange.

4. Considering that the objects for which these Institutions provide are servants of the Company in straitened circumstances, their destitute widows and orphans, we forbear from directing the adoption of any measure which would have the effect either of reducing the rate of pension and other allowances granted by the several Funds, or of throwing on the Trustees the charge and risk of effecting remittances.

5. Being also of opinion that the aid afforded by the Company should, as far as possible, be stated as direct contribution, we desire that the rate of interest upon the balances of all the Civil Military and Medical Funds (excepting only the Civil Service Annuity Fund recently instituted be reduced to five per cent. per annum from the 1st May next, and that on the 30th April in each following year, the several Funds be granted, as donation from the Company, a sum equivalent t

the difference between the amount to which the grant of such interest and of interest at the rate now allowed would produce.

6. The advances from our Home Treasury to the Institutions enumerated in the annexed statement have of late years inconveniently and largely increased, and are still increasing. In the year 1816-17 they amounted to £25,360, but in 1830-31 to £152,400.

7. We desire that you will inform the Trustees of the several Funds that we cannot engage to continue to an indefinite extent, either as to time or amount, a mode of assistance which has so far exceeded what we contemplated when it was first granted. For the present, however, we have resolved that, from and after the date of this despatch, the sums required in England for the use of the several Funds shall be advanced, repayable in India at 12 months date, at 1*s.* 11*d.* the sicca rupee, that being fully as high as could be realized by a consignment of bullion; and we desire that the difference between the number of rupees reimbursed to you under this arrangement, and that which would have been reimbursed if the present rates of exchange had continued to be observed, be annually credited to the Funds as a further donation from the Company.

Statement annexed to letter No. 46 of 1832, showing the aid which the several Funds in India derive from the East India Company.

Bengal Civil Fund, instituted in 1804.

The direct aid from the Company to this Fund is a donation of £2,500 per annum paid in England, and the indirect aids are a high rate of interest (8 per cent.) upon the balance, and the advantage of a remittance from India by bills upon the Court to the extent of £12,000 per annum at the favorable rate of exchange of 2*s.* 1*d.* the sicca rupee.

In addition to these drafts, the Court in June 1828 advanced £10,000 to the Agents of the Fund "to prevent severe disappointment to the claimants in this country," but this sum has recently been repaid here, with interest at 4 per cent.

The Court's aid, directly and indirectly, to the Bengal Civil Fund may be thus stated, *viz.*,—

Direct donation in England	£ 2,500
Additional interest at 3 per cent. beyond the rate paid on sums borrowed by the Company upon the balance, which in 1826 was about 6¼ lacs, and calculating the Sicca Rupee at 2½*s.*	1,914
Estimated gain on the annual drafts upon the Court of £12,000, which are granted at 2*s.* 1*d.* the Sicca Rupee, at 12 months' date: deducting the interest the rate is reduced to 1*s.* 11½*d.*, whereas the produce of the Sicca Rupee on the average out-turn of all descriptions of remittances during the last three years has been no more than 1*s.* 9·07*d.*, being a difference of 2·68*d.* per Rupee, or 11·20 per cent.	1,355
Total aid per annum ..	£5,769

Bengal Military Fund, instituted in 1806.

The direct aid to this Fund is a donation of 24,000 Sonaut Rupees per annum in India.

The indirect aids are interest at 3 per cent. beyond the value of money upon the balance, which in 1827 was about 17 lacs, and advances in England to the extent of £19,000 per annum.

The direct grant of 24,000 Sonaut Rupees, or Sicca Rupees 22,965 at 2½*s.* is...	£ 2,344
Surplus interest at 3 per cent upon 17 lacs ...	5,206
The advances are made at 2*s.* 4*d.* the Sicca Rupee, but interest is payable in India on the advance made here; therefore deduct for 6 months' interest 7-10ths of a penny, which leaves the rate of advances at 2*s.* 3·3*d.* the sicca rupee; but as the outturn of the rupee in remittances home produces only 1*s.* 9·07*d.*, there is a consequent loss to the Company of 22·82 per cent., or upon £19,000	4,336
Per annum ...	£ 11,886

Bengal Military Orphan Fund, instituted in 1782.

This Society is divided into two branches, *viz*:—
The Lower School and the Upper School.

The Lower School is appropriated for the education of soldiers' children, and is supported by the Company.

	£
The Upper School derives no direct donation from the Company, but receives indirect aid, in having all the printing business to do for the Bengal Government, and an appropriation of a part of unclaimed shares of Rohilla prize-money. This Fund also receives 8 per cent. interest upon its balance and advances in England of £9,000 per annum at the same rate of exchange as is granted to the Military Fund, which produces a loss to the Company of	2,054
Surplus interest of 3 per cent. upon a balance of Rs. 4,65,300 ...	1,425
Per annum ..	£3,479

Madras Civil Fund, instituted originally in 1787.

The Company's direct aid to this Fund is an annual donation of Rs. 47,950.

The indirect aids are the usual high rate of interest of 8 per cent., and the advantages resulting from a remittance through the Company of £36,000 per annum at a high rate of exchange of 25·76 * per cent. beyond the out-turn of the Rupee remitted home to cover the advances—

	£
Direct donation of Rs. 47,950 @ 1*s.* 11*d.* the Rupee	4,595
Surplus interest of 3 per cent. upon the balance on 30th April 1828 of Rs. 16,75,863 ...	4,817
Aid by medium of remittance of £36,000 per annum @ 25 76 per cent. ..	9,274
Per annum ...	£18,686

Madras Military Fund, established in 1808.

	£
Direct contribution to this Fund of Rs. 17,500 per annum @ 1*s.* 11*d.* the Rupee ...	1,677
Surplus interest of 3 per cent. upon the balance of Rs. 14,24,478, 30th April 1828	4,095
Aid in remittance of about £225,000 per annum upon the same principle as is adopted in making advances to the Civil Fund . ..	6,440
Per annum ...	£12,212

Madras Medical Fund, established in 1807.

	£
Direct contribution to this Fund Rs. 3,500 per annum @ 1*s.* 11*d.* the Rupee	335
Surplus interest of 3 per cent. upon Rs. 6,76,317, the balance on 30th April 1828 ..	1,943
Aid by remittance of about £8,600 per annum upon the principle stated above	2,215
Per annum ..	£4,493

Bombay Civil Fund, established in 1807.

	£
Direct contribution to this Fund Rs. 22,400 per annum @ 1*s.* 11*d.* the Rupee	2,147
Surplus interest of 3 per cent. upon the balance of Rs. 5,33,333	1,534
Aid by remittance of £18,250 per annum upon the principle stated in respect to the remittances on account of the Madras Funds	4,701
Per annum ..	£8,382

Bombay Military Fund, established in 1816.

	£
Direct donation to this Fund Rs 8,000 per annum @ 1*s.* 11*d.* the Rupee . .	767
Surplus interest of 3 per cent. upon Rs. 10,53,093, the balance on the 30th April ..	3,028
Aid by remittance of about £9,900 per annum upon the above principle ..	2,318
Per annum ...	£6,113

* The advances on account of the Madras and Bombay Funds are made at 2*s.* 3*d.* the Rupee, or deducting interest, 2*s.* 2·325*d.*; but as the intrinsic value of these Rupees is less than the sicca by 1·526*d.*, it follows that the advances to those Funds at 2*s* 3*d.* the Rupee are more favorable than the advances made to the Bengal Funds.

Statement exhibiting the aid rendered by the Company directly and indirectly towards the support of the several Funds noticed in the foregoing Memorandum.

		Direct aid.	Aid by a high rate of interest on the balances.	Aid by a high rate of exchange in remittances.	Total.
		£	£	£	£
Bengal	Civil Fund ...	2,500	1,914	1,355	5,769
	Military Fund ...	2,344	5,206	4,336	11,886
	Military Orphan Fund ...	...	1,425	2,054	3,479
Madras	Civil Fund ...	4,595	4,817	9,274	18,686
	Military Fund ...	1,677	4,095	6,440	12,212
	Medical Fund ...	335	1,943	2,215	4,493
Bombay	Civil Fund ...	2,147	1,534	4,701	8,382
	Military Fund ...	767	3,028	2,318	6,113
Total per annum ...		14,365	23,962	32,693	71,020

Drafts from India on the Court in favor of the Bengal Civil Fund in the following years :—

At 2*s.* 1*d.* per Sicca Rupee, and 12 months after date.

	£	*s.*	*d.*	£	*s.*	*d.*
Paid, 1825-26 ...	16,418	0	7			
„ 1826-27 ...	10,000	0	0			
„ 1827-28 ...	10,000	0	0			
„ 1828-29 ...	12,000	0	0			
				48,418	0	7

Statement of the advances in England by the East India Company for each of the several Civil and Military Funds in India during the last four years, 1825-26 *to* 1828-29, *and the rate at which those advances are repayable in India.*

YEARS.	Bengal.			Madras.			Bombay.		TOTAL.
	Civil Fund Donation.	Repayable at 2*s.* 4*d.* per Sicca Rupee, and interest at 5 per cent. from date of advance to day of repayment.		Repayable at 2*s.* 3*d.* per Madras Rupee, and interest at 5 per cent. from date of advance to day of repayment.			Repayable at 2*s.* 3*d.* per Bombay Rupee, and interest at 5 per cent. from date of advance to day of repayment.		
		Military Widows' Fund.	Military Orphan Society.	Civil Fund.	Military Fund.	Medical Fund.	Civil Fund.	Military Fund.	
	£	£	£	£	£	£	£	£	£
1825-26	2,500	15,000	7,600	36,500	22,000	7,600	22,000	10,000	123,200
1826-27	2,500	16,500	8,800	37,500	24,000	9,500	12,000	8,700	119,500
1827-28	2,500	19,500	11,500	35,100	26,000	8,500	24,000	6,000	133,100
1828-29	2,500	25,000	8,100	35,000	27,000	8,700	15,000	11,500	132,800
Total ...	10,000	76,000	36,000	144,100	99,000	34,300	73,000	36,200	508,600

The Court also advanced the Bengal Civil Fund £10,000 in June 1828, which was repaid, with interest, on 16th November 1829.

Letter from Trevor Plowden, Esq., to the Managers and Trustees of the Civil Fund, dated 18th March 1831.

On behalf of Mrs. Shum, the widow of the late Mr. John Shum of our Service, I beg to request your attention to the accompanying form of oath, which I feel assured you will excuse my bringing to your notice, as it may be the occasion of great distress to ladies situated as Mrs. Shum is, and who have that sense of the sanctity of the obligation, and of the crime involved in any deviation from its very letter, without which an oath is, of course, no security whatever.

2. By the 24th Section of the Rules of the Bengal Civil Fund, a widow is entitled to possess an income to a limited extent, independent of her pension from the Fund. Keeping this limit in view, many Subscribers have made provisions for their families, either considering the Fund inadequate to their comfort, or to the education of their children as they could desire them to be educated, or else with a view that those who were dear to them should not be wholly destitute in the case of any event, political or otherwise, depriving them of the support of the Fund. Again, many widows have come into the possession of trifling sums from the sale of effects belonging to the estate, and of their own jewels, sold with a view to pay their passage home, and meet the heavy additional expenses incidental to their first arrival in England.

Letter from the Secretary of the Civil Fund to T. Plowden, Esq., dated 23rd March 1831.

I am directed by the Managers of the Civil Fund to acknowledge the receipt of your letter of the 19th instant, and, in reply, to inform you that Mrs. Shum has only to declare the actual amount of the income or property she may possess independently of the Fund, in order that the Institution may not be put to greater charge than the provisions of Article XXIV. contemplate.

Extract from a letter from Ross D. Mangles, Esq., Executor to the Estate of Mr. Thomas Richardson, to the Secretary to the Civil Fund, dated 30th July 1834.

Under the circumstances of my late friend's death, I applied to Government for a pension for his widow, to which, in my conscience, I think that she is entitled; but His Honor the Vice-President-in-Council has been pleased to refer me to the Civil Fund in the first instance.

Extract from a Public General Letter from the Honorable Court of Directors, No. 115, dated 8th July 1835.

1. In reference to our despatches, dated 4th April 1834, No. 26, and 3rd June 1835, No. 40, we think it right to acquaint you that Mr. J. C. C. Sutherland has not, by the loss of our Covenanted Service, forfeited any of his rights as a Subscriber to the Bengal Civil Fund, in respect of which he is to be considered as if, at the date when he ceased to subscribe to the Fund, he had voluntarily relinquished the service.

2. We desire that you will communicate this opinion to the Managers of the Fund.

Extract from Proceedings of a Special General Meeting of the Subscribers to the Civil Fund, held on the 14th day of November 1835.

First.—The proposal of Mr. Tulloh, that all married Subscribers and widowers wishing to retain a contingent interest in the Fund, should pay double their present subscriptions; all other Subscribers to continue to pay as at present.

Second.—To re-consider a resolution said to have been passed at a Quarterly General Meeting held on the 27th April 1835, under which Mr. J. C. C. Sutherland was considered a retired Civilian, and subject to payments under Rule XXXV. of the Fund.

Third.—To re-consider certain resolutions said to have recently passed by the Managers, under which the Reverend Charles Elliott was admitted to pay up his subscription with a view to his being admitted to the benefits of the Fund.

The Meeting having resolved to consider the above subjects separately in the order of their mention in the requisition,

Mr. Tulloh moved—That the propositions stated in his letter dated 5th June 1835 be read and taken into consideration *seriatim*.

The same being seconded, Mr. Morley moved in amendment the following several resolutions:—

1. That Mr. Tulloh's proposition, and all other propositions which have been already received, or which may be now or hereafter brought forward, for any alteration in the Rules of the Civil Fund, be referred to a Committee to be appointed as below prescribed, who shall be empowered, and requested to report thereon to a Special General Meeting to be called by them for that purpose, revising all the existing Rules, and generally submitting their suggestions for such measures as they may think it most expedient to adopt in the present state of the assets and liabilities of the Fund.

2. That the Committee consist of sixteen members, being Subscribers to the Fund resident in Calcutta, one to be elected by the Subscribers resident in each Division of Revenue and Circuit, *viz.*, Jessore, Cuttack, Moorshedabad, Bauleah, Dacca, Chittagong, Bhaugulpore, Patna, Benares, Delhi, and Sagur, Allahabad, Bareilly, Meerut, and Agra, including all Political Officers, and two to be elected by those in Calcutta and Members not included in any of the above Divisions.

3. That each Commissioner be requested to collect the votes of the Subscribers entitled to vote in his Division, reporting to the Secretary the gentlemen elected on or before the 15th of January next, and that the Secretary to the Fund be requested to collect the votes of the members in Calcutta on or before the same date.

4. That a Committee-man elected by more than one Division shall choose which Division he may wish to represent, and that the other Division or Divisions that elected him may elect each a substitute for him.

The above resolutions being seconded by Mr. Rattray, were put from the chair and carried.

Resolved, further, that the Managers of the Civil Fund Institution be requested to take the necessary steps to give effect to these resolutions.

Letter from the Secretary to the Civil Fund, to J. C. C. Sutherland, Esq., dated 28th January 1836.

With reference to the resolution passed at the Quarterly General Meeting of the Subscribers to the Civil Fund, held on the 27th April 1835, admitting your claim to be considered as a retired Civilian entitled to remain upon the Fund, upon making a certain payment required in certain cases under Article XXXV. of the Rules, I am directed

by the Managers to inform you that it was determined, at a Special General Meeting of the Subscribers held on the 14th of November last, which had been called for the purpose, amongst others, of reconsidering the above resolution to put the question of your admission to the Fund to the votes of the Subscribers at large.

The result of the votes of the Subscribers is as follows:—

For reversing the resolution of the General Meeting of Subscribers held on the 27th April 1835, which admitted you to the benefits of the Institution ...	117
For confirming the same... ...	70
Majority against your admission ...	47

The above votes having been communicated to the Quarterly General Meeting, held on the 28th of January 1836, it was then resolved that the Managers should inform you of the result.

It has consequently become the duty of the Managers to acquaint you that your family will not be considered entitled to the benefits of the Civil Fund in case of your demise.

Letter from the Secretary to the Government of India, to the Managers of the Civil Fund, dated 25th May 1836.

With reference to the letter of your Secretary, dated the 5th, and its reply, dated the 10th, November 1834, I am directed to transmit to you the annexed copy of a letter No. 3 of 1836, from the Honorable the Court of Directors, in the Public Department, dated the 13th January.

Extract from a Public General Letter from the Honorable Court of Directors, No. 3, dated 13th January 1836.

1. The Members of the late China Factory who became our Agents in China, without previously proceeding to Bengal, are to be considered as having belonged to the Bengal Civil Service from the date of their becoming Agents, and they, as well as the other members of the Factory who proceeded to Bengal, are to be entitled to subscribe to the Civil Fund, if they please, and not otherwise.

Extracts from a Public Letter from the Honorable Court of Directors, No. 12, dated 28th September 1836.

1. We have received from C. Boileau Elliott, late of the Bengal Civil Service, a letter dated the 1st September 1836, submitting to our notice, and requesting the expression of our opinion upon, a statement of facts connected with the contingent claim of his family upon the Civil Fund of that Presidency.

2. From Mr. Elliott's representation it would appear that his claim, having been substantiated by the required payment on his part, recognized by the constituted Agents of the Fund in London, ratified by the Managers in Calcutta, and thereupon declared to Mr. Elliott by the Agents in London to be valid, has been lately impugned, and after an interval of nearly three years entirely annulled.

3. We forward herewith a copy of Mr. Elliott's letter, which we desire may be brought to the notice of the Managers and Trustees of the Civil Fund at Calcutta, with a view to the reconsideration of the case. We shall only remark that, from the statement before us, Mr. Elliott would seem to have been subjected to an unlooked for disappointment, in the reversal, after a considerable interval, of a decision deliberately pronounced and officially communicated.

4. You will require the Managers to communicate to you the result of such proceedings as may be adopted on this occasion; with such result you will make us acquainted.

Extracts from a letter from Mr. C. B. Elliott, to the Secretary to the Honorable Court of Directors to the East India Company, dated 1st September 1836.

I beg the favor of you to lay before the Honorable Court of Directors the accompanying statement of facts connected with my contingent claim on the Bengal Civil Fund, and to solicit on my behalf the expression of their opinion on the subject to the Bengal Government. The merits of the case are so clear that I am inclined to believe the statement of them needs only to be read, to carry to every mind a conviction that the members of the Civil Service who voted in January 1836 for my dismissal from the Fund were acting on an uncontradicted misrepresentation of facts, and I venture to hope that the expression of the opinion of the Honorable Court will lead to an immediate correction of an error, which, if once permitted to pass unnoticed, involves principles as injurious to the interests of the Service as they are opposed to equity, and to the whole tenor of the Regulations of the Civil Fund.

2. I left India in December 1827 on sick leave, intending to return to the country within the allotted term of five years. From the date of my arriving in, to that of quitting, India, I had subscribed to the Civil Fund, anxiously awaiting an improved state of health I was unwilling to give up the hope of returning till the expiration of the latest period allowed, and, consequently, I remained a member of the Bengal Civil Service till 17th December 1832. Some considerable time previous to this month I enquired of Messrs. Cockerell and Co., the authorized Agents of the Civil Fund residing in London, whether, in the event of my desiring to pay up the balance between my Indian subscriptions and the sum of Rs. 5,000, required by Article XXXV. to entitle my family to the benefit of the Fund, they were authorized to receive the same. Acting upon their assurance that they were so, and still indulging a hope that my health might improve, I considered it unnecessary to remit the balance in question to India in the month of August, so as to ensure its arrival in Calcutta in December 1832; but in November of the same year, while I was yet a member of the Bengal Civil Service, I paid into the hands of Messrs. Cockerell and Co., in London, the sum of £480, which they carried to the credit of the Fund, and communicated with the Managers in India, whose instructions they received and complied with, to inform me of the due admission, according to the Rules of the Fund, of my family to its contingent benefits The account between myself and the Fund was finally adjusted in 1833 by Messrs. Cockerell, restoring to me the sum of £98, placed in their hands by me over and above what was necessary to make up the sum of Rs. 5,000, the fixed payment required from every Civilian who retires from the Service.

3. In October 1835, that is, three years subsequent to my last payment to the Fund, and two and-a-half years subsequent to the decision of the Committee of Managers placing my family on the list of its contingent claimants (the Rules of the Fund to use their own expression, "deciding the question clearly of their admission,") some gentlemen at Allahabad, acting doubtless on a misapprehension of the facts, addressed a letter to the Secretary of the Civil Fund, which, being circulated through the Service, unaccompanied by

any counter-statement, led to a decision in January, 1836 that the act of the Managers in 1833 should be annulled, and thus a family admitted to the benefits of the Fund, by the fulfilment of its conditions in 1832, was in 1836 declared ineligible; in other words, an *ex post facto* law was made on an exparte statement. Had there been any person on the spot to state the case simply and fairly, it is hardly possible that the sophistry which issued from Allahabad should have proved successful, nor is it probable, even under existing circumstances, that it would have been so, had not the case been mixed up with one to which it bears neither affinity nor resemblance, *viz.*, that of a gentleman who, having been 10 or more years out of the Service, wished for permission to make up his payments and place his family contingently on the Fund.

15. Whatever their decision may be as to the future, I would submit that it is not just to act on an *ex post facto* law, and that, according to the plain interpretation of the existing Regulations, I am entitled to the benefits of the Fund, having paid to their authorized Agents the balance of Rs. 5,000 while I was yet in the Service, having received the assurance of the Managers, that I had fulfilled all necessary conditions, and was to consider myself as fully accepted by them; and having actually remained with that assurance for three whole years; and here I would repeat that, even admitting the unfounded allegation contained in the second paragraph of the writers from Allahabad, *viz.*, that my case appears "entirely unprovided for by the existing Rules," justice forbids that I should, without any crime, be dismissed from a Fund owing to an alleged omission in the very Rules under which I was, three years before, admitted by the Managers, who stated "their compliance" with my request for admission "to be unavoidable under Article XXXV." It is not a case of *exclusion* of a *candidate*, but a case of *dismissal* of an unoffending *member* in direct opposition to the regulations.

16. I am not aware of the precise extent of the authority which the Court of Directors exercises over the Civil Fund, nor would I now solicit at their hands a positive command reversing an order of its members: but I feel assured that nothing more is required than a strong expression of their opinion, to ensure a revision of the unjust sentence of dismissal pronounced against me in consequence of an unfounded misrepresentation of the circumstances of the case, which, owing to the absence of myself and friends, remained uncontradicted till the vote was passed.

Extract from the Proceedings of a General Quarterly Meeting of the Subscribers to the Civil Fund, dated 31st October 1836.

No. 1.

Read the following letter from Mrs. Armstrong, widow of the late Mr. James Armstrong of the Civil Service, dated the 16th April 1836, with its enclosure, claiming the benefits of the Institution for herself and six children; also correspondence with Mr. Bushby relative thereto.

Resolved unanimously,—First, that, with reference to the claim of Mr. Bushby on behalf of Mrs. Armstrong, under Article 46, the construction put by the Managers on that Article be confirmed.

NOTE.—This related to a claim for £2,000 to be allowed to Mrs. Armstrong, in addition to the increased annuity of £400 per annum. The Managers, however, ruled that the interest of that £2,000 must be included in calculating the income of the estate.

Letter from the Managers and Trustees of the Civil Fund, to the Secretary to the Government of Bengal, dated 29th April 1837.

We have the honor to acknowledge the receipt of your letter of the 15th February last, transmitting, for consideration and report, a copy of a despatch from the Honorable the Court of Directors, to the address of the Governor-General of India in Council, dated the 28th September, with its enclosure, regarding the claim of Mr. C. B. Elliott, late of the Civil Service, on the Civil Fund.

In compliance with the instructions of the Honorable Court, we have carefully re-considered the case of Mr. Elliott, and we further submitted it to a General Meeting of the Subscribers held on the 24th instant. As it appears that the case was decided at a General Meeting of Subscribers held on the 25th January 1836, and that the decision was confirmed at a subsequent General Meeting held on the 25th April 1836; and also as it appears that, under Article 30 of the Fund, resolutions thus passed "shall be final and conclusive in all cases whatever," it does not appear that any authority exists competent to alter the decision thus solemnly and regularly passed. As, however, the Honorable Court have expressed a wish to be informed of the grounds of the decision passed in the case, and as we are persuaded that every Subscriber to the Fund is solicitous to pay the most anxious attention to any wish expressed by the Honorable Court, we beg leave to submit a few remarks, which we trust will sufficiently evince that Mr. Elliott has no sufficient reason to complain of the decision adverse to him, passed by a very great majority of the Subscribers to the Fund. For this purpose it does not appear to us necessary to enter on the various allegations advanced by Mr. Elliott. It may be sufficient to advert to one material point.

We allude to a certain provision in Article XXXV. of the Rules of the Fund, on which Mr. Elliott rests his case. It provides that, if a Subscriber to the Fund, "on quitting the Service," shall pay to the Fund what may be wanting to complete his contribution, shall entitle his family to the benefits of the Fund.

There are some other points which might be adverted to in considering the claim of Mr. Elliott, and particularly before admitting him he should have desired to know the precise date of his ordination, which we conceive must be considered as a relinquishment of the Service—if it fell within the period of five years from his quitting India. But as above noticed, we do not consider that the Service is now competent to entertain Mr. Elliott's claim; and as we consider it to be barred, we do not, therefore, think it necessary to enter further upon the subject.

Extract from the Proceedings of a General Meeting of the Subscribers to the Civil Fund, held on Monday, the 29th day of January 1838.

The Meeting then proceeded to the consideration of the new Rules, when it was resolved unanimously, that the Rules of the Fund prepared by the Managers, and laid before this Meeting in conformity with the Resolution passed at the Meeting of the 25th November last, be adopted as the Rules of the Fund from the 1st January 1838, subject to the approval of the Honorable the Court of Directors.

It was observed, however, that in these Rules no provision had been made for raising the surplus of 25,000 Rupees per annum, in excess of the annual expenditure, as determined by the votes of the Service to be desirable, because the Managers

had found that the propositions passed by the majority of votes were defective in not declaring the manner in which the said amount should be raised.

It further appeared that, in the original vote paper circulated to the Service, there was a memorandum showing it to be proposed that, if all other methods of raising the surplus failed, the surplus should be provided by a rateable cess on the Service at large, in like manner as provided for the existing deficit; but that this circumstance had escaped the notice of the Meeting of the 25th November, and the result was not so declared. It was, therefore, suggested by Mr. Prinsep that the Meeting submit to the Service at large, whether the desired surplus shall be raised in the manner stated, that is, by a general cess rateable on emoluments, or shall be separately raised by increasing upon married and widower Subscribers desirous of retaining their interest in the Fund, the extra cess leviable on all Subscribers to make good the existing deficit.

The question being asked at the Meeting, half per cent. on the salaries of all Subscribers was reported by the Managers, upon a rough estimate, to be sufficient to meet the existing deficit, and an additional cess of half per cent. on married and widower Subscribers retaining their interest to raise a further annual surplus of——

Resolved, to submit the above propositions for the votes of the Service, with the recommendation of the Meeting, that the latter proposition be adopted.

Carried *nem. con.*

Letter from W. R. Young, Esq., to the Secretary to the Bengal Civil Fund, dated 13th January 1838.

I have the honor to acknowledge the receipt of a copy of the new Rules of the Civil Fund, adopted at a Meeting of Subscribers at the Town Hall on the 29th of January last.

As I perceive that the effect of the new Rules will be at once to increase my liabilities as a Subscriber, and to diminish the contingent benefit derivable by my family from the Fund, I am not disposed to continue my subscription to the Institution on such terms.

I therefore request that, on your receipt of this communication, you will be pleased to cause my name to be withdrawn from the list of Subscribers to the Civil Fund.

Letter from the Secretary to the Bengal Civil Fund, to W. R. Young, Esq, dated 9th July 1838.

I have the honor to acknowledge the receipt of your letter of the 13th June last, and, in reply, to state that you, having signed the declaration of your determination to continue your contribution to the Civil Fund during the whole period of service in India, the Managers, under Article III. of new Rules, consider you bound to continue your subscription, and cannot allow you to withdraw from the Fund.

I have the honor to send you a copy of the resolution passed at a Meeting held on the 28th July 1817, and a Declaration to which your name is subscribed.

From the Accountant-General, to the Officiating Deputy Secretary to the Government of India, dated the 27th November 1832.

I am directed to acknowledge the receipt of your letter of the 21st instant, and in reply to state that the Vice-President in Council concurs in the suggestions therein contained arising out of the orders of the Honorable Court of Directors relating to the Civil and Military Funds in India. The Sub-Treasurer will accordingly be directed to carry the same into effect.

From the Accountant-General, to the Officiating Deputy Secretary to the Government of India, dated the 6th April 1833.

I am directed by the Right Hon'ble the Governor-General in Council to acknowledge the receipt of your letter of the 3rd instant, and to inform you in reply that the Officiating Sub-Treasurer has been instructed to pay to the several Compassionate Civil and Military Funds referred to by you the difference of interest, as directed in the letter from the Honorable Court of Directors, dated the 4th July last, on all future investments on the dates the annual payments of interest may become due.

The Officiating Sub-Treasurer has further been directed to call upon the Secretaries to the several Funds to deliver up by the 30th instant their 8 per cent. Treasury Notes.

Letter from the Secretary to the Bengal Civil Fund, to the Secretary to the Government of India, dated the 23rd April 1838.

I am directed by the Managers of the Civil Fund to send you the accompanying copies of the Civil Fund Rules, with request that His Honor the President of the Council will be pleased to forward them for the approval of the Honorable the Court of Directors.

Public General letter No. 14, dated 25th April 1838, forwarded 28 copies of the New Rules of 1838, to the Court of Directors, and they acknowledged receipt in their letter No. 3 of 25th March 1840, para. 29. "These Rules have been received."

Extract from the Proceedings of a Half-yearly General Meeting of the Subscribers to the Civil Fund, held on the 18th February 1839.

Resolution proposed by Mr. F. C. Smith, seconded by Mr. J. French,—

That it is the opinion of this meeting, that any Subscriber who shall have retired from the Service prior to the 1st January 1838, and whose contribution to the Fund amounted at the time of his retirement to Rupees 5,000 principal, or, also, at the time of quitting the Service paid to the Fund what may have been wanting to complete his contribution to that amount, according to the 35th Article of the Rules then in force, has secured to his family the benefits of the Institution in the event of their being hereafter left unprovided for at his death. The pension and allowances of such family to be fixed according to the New Rules of the Fund.

Resolution proposed by Mr. F. Millet, seconded by Mr. J. F. M. Reid, and carried by a majority of 14 votes to 2,—

That this meeting has no power to suspend the operation of a Rule which has been finally adopted after reference to the Subscribers at large; and that the Managers be therefore directed to give effect to the Resolution on this subject passed at the Half-yearly General Meeting, holden on the 30th July 1838, *viz.*,—"The Managers to publish "the result in the *Government Gazette* and two "daily papers, and to take measures for the levy "of the additional cess accordingly—additional "cess to begin from 1st November next (1838)."

Rules of 1838.

Extract from the Proceedings of an Adjourned Special Meeting of the Subscribers to the Civil Fund, holden at the Town Hall on Saturday, the 25th day of November 1837.

PRESENT:

H. T PRINSEP, ESQ., *Chairman.*

The Meeting having thus ascertained the state of the votes, and determined the result upon each of the New Rules and Propositions submitted to the Subscribers at large.

It was unanimously *Resolved*—"That the Managers be instructed to prepare Rules for the Fund according to the result of the votes taken at this Meeting, and to lay the New Rules before the Annual Meeting in January next.

That the New Rules be drawn as to take effect on the 1st January 1838, from which date the deficit will be assessed rateably on existing Subscribers, and the Collateral Fund will take effect, if agreed to by the Subscribers.

Extract from the Proceedings at a Quarterly General Meeting of the Subscribers to the Civil Fund, holden at the Town Hall on Monday, the 29th day of January 1838.

PRESENT:

W W BIRD, ESQ., *Chairman.*

The Meeting then proceeded to the consideration of the New Rules, when it was Resolved unanimously, that the Rules of the Fund prepared by the Managers, and laid before this Meeting, in conformity with the Resolution passed at the Meeting of the 25th November last, be adopted as the Rules of the Fund from the 1st January 1838, subject to the approval of the Honorable the Court of Directors.

Rules of the Civil Fund,

Agreed to at a Meeting of the Civil Servants of the Honorable the East India Company on the Establishment of Bengal, held at the College of Fort William, to have effect from 1st January 1838.

ARTICLE I.

THE object of the Civil Fund shall henceforth be to provide for the Maintenance of the Widows and Children of such of the Subscribers as may not, at their deaths, leave Property sufficient for the Subsistence and Education of their families.

ARTICLE II.

The Honorable the Court of Directors and the Governor-General in Council shall be solicited to continue Patrons of the Institution.

ARTICLE III.

The Fund shall be supported by the contributions of the Company's Covenanted Civil Servants on the Bengal Establishment now subscribing, or who may hereafter join the Service, aided by the donation of the Honorable the Court of Directors; it being, as heretofore, at the option of such of the Subscribers as were admitted to the Service prior to the 17th of January 1823, and have not, in pursuance of a Resolution passed at the General Meeting of the 28th of July 1817, signed the declaration of a determination to continue their contributions to the Fund during the whole period of their Service in India, at any time to withdraw altogether therefrom, forfeiting thereby all claims upon the Fund, whether for sums subscribed, or on any other account whatsoever.

ARTICLE IV.

First.—The ordinary contributions to the Fund shall be proportioned to the monthly Salary, or other public allowance of whatever description (including Furlough Allowance), received by each Subscriber according to the following rates:—

If the Salary, or other Public Allowance of the Subscriber, be not more than 1,000 Company's Rupees per mensem, his Monthly Subscription shall be	Co.'s Rs.	10
If more than 1,000 and not above 2,000, ...	,,	20
If more than 2,000 and not above 3,000, ..	,,	30
If more than 3,000 and not above 4,000,	,,	40
If more than 4,000	,,	50

Second.—The sum by which the annual income of the Fund is less than its annual expenditure shall be ascertained and declared by the Managers as on the 1st of January 1838; and the deficit so declared shall be made up by assessing all Subscribers to the Fund rateably according to their allowances. The rate per centum on allowances of extraordinary contribution so to be assessed shall be declared by the Managers at the same time that the deficit is declared, and shall remain unaltered for three years from the said date.

Third.—At the end of every three years from the 1st of January 1838, the Managers shall, in like manner, ascertain and declare the deficit as it may exist at each triennial period, and shall, in like manner, ascertain and declare the rate of extraordinary assessment to be paid in the same manner during the next three years by all Subscribers, for the purpose of meeting that deficit.

Fourth.—The Funds shall be considered to be deficient when the annual subscriptions added to the donation of the Court, and the interest of the accumulated capital shall not yield sufficient to provide for the annual charges, and a surplus of not less than 25,000 rupees.

ARTICLE V.

The amount of contribution payable by each Subscriber shall, with the permission of Government, be deducted by the Civil Auditor, or other Officer auditing the monthly pay bill of Civil Servants, and be transferred to the Treasurer of the Fund, in such manner as may be found most advantageous to the Fund, under the direction of the Committee of Managers; and all Subscribers from whose salaries deductions may be made less than may be due from them, shall be obliged, on discovery of the error, to make up the difference to the Fund, with interest thereon at the rate of five per cent. per annum.

ARTICLE VI.

The Sub-Treasurer of Government shall, with the permission of Government, be Treasurer to the Fund, and all Money, and Securities for Money, belonging to the Fund, in India, shall, with the like permission, be kept in the public Treasury, subject to the direction and control of the Managers of the Fund.

ARTICLE VII.

The unappropriated Receipts of the Fund exceeding the sum of two thousand (2,000) Rupees, (to be reserved for current expenses), shall be vested in the Securities of Government, and made payable on account of the Fund under the signatures of any three of the Managers; but the Treasurer of the Fund shall be competent of himself to pass Receipts for the interest receivable thereupon.

ARTICLE VIII

The Managers of the Fund in India shall nominate such persons as may appear to them proper to act as Agents for the Fund in England; and any Money that may be required for the Disbursements of the Fund in Europe, shall be drawn for by, or remitted to, the Agents as may be most advantageous to the Fund, in such manner as the Managers, under the control of the Subscribers, from time to time may determine.

ARTICLE IX.

A duplicate copy of all Rules and Resolutions, which may be passed relative to the Fund, shall be transmitted to the Agents in England for their information, and that of all persons who may apply to them upon the subject.

ARTICLE X.

A half-yearly General Meeting of the Subscribers to the Fund shall be held at the Presidency of Fort William, in the months of January and July of each year on a day to be fixed by the Committee of Managers, and notified in the *Calcutta Gazette* and in two of the daily papers two months before the day so fixed upon.

ARTICLE XI.

The Committee of Managers, or any nine Members of the Institution, may also convene a Special General Meeting at the Presidency by public notice, provided that the day fixed for holding such Special Meeting, and the object of it, be advertised in the manner prescribed in the foregoing Article for the general information of the Subscribers.

ARTICLE XII.

All Questions proposed at a General Meeting, whether half-yearly, or special, shall be determined by a majority of votes. But the concurrent voices of at least nine Members actually present shall be requisite to carry any motion whatever. The Resolutions or proceedings of all General Meetings shall be signed by the Chairman, and published in the *Calcutta Gazette.*

ARTICLE XIII.

Should the Managers or any Member, or Members, be desirous of bringing forward at a half-yearly Meeting any new general question, or any question involving an increase or diminution of the rate of contribution now fixed, or any essential addition to, or alteration in, the rules and principles of the Institution now established, or any case not distinctly provided for under these Rules, due notice of the purport thereof shall be given in the *Calcutta Gazette* and in two of the daily papers, at least two months before such Meeting; provided, however, that on such questions and cases no resolution of a General Meeting, whether half-yearly, or special, shall be conclusive, but the determination of the Meeting shall be referred to the Subscribers at large for final adoption or rejection, by the transmission of their votes to the Managers within two months after the date of issuing the Notice, either by advertisement, or by separate letters to each Subscriber, as may be determined by the Meeting. It shall be the special duty of the Chairman of any Meeting to require attention to this Rule.

ARTICLE XIV.

The Resolution of a General Meeting on any question not falling within the provisions of the preceding Article shall be open to revision, after two months' previous notice given through the Secretary, and published in the *Calcutta Gazette* and in two of the daily papers, of a motion to that effect at the next General Meeting which may be held at a period of not more than four months subsequently to the General Meeting at which such Resolution was passed, and two months subse-

quently to the date of the notification above prescribed ; but the Resolution of such subsequent Meeting on such question shall be final and conclusive ; provided always that no Resolution of a prior Meeting shall be reversed or altered at a subsequent Meeting, except by a majority consisting of as many votes at the least as decided the question in the first instance. All Resolutions not subjected to revision under this Article shall be deemed final and conclusive.

ARTICLE XV.

Upon all questions duly advertised for discussion at any General or Special Meeting, all Subscribers shall be allowed to deliver their sentiments and votes, either by a written communication to be signed by them and addressed to the Chairman of the Meeting, or by Proxy. General Proxies will only be allowed on behalf of Members who have proceeded to Sea, and then will last till the return or the receipt of intelligence of the decease of the party giving such Proxy.

Parties holding General Proxies shall be entitled to vote on any question whatever that may arise. The holder of a Special Proxy shall be entitled to vote on any point connected with the question for which the Special Proxy was given that may be discussed at the Meeting summoned for its determination.

But it is hereby provided—

1st.—That no Proxy, either special or general, shall be in any way valid, unless the same shall have been registered in the Office of the Secretary to the Fund, and countersigned by that Officer, at least fifteen days prior to the occurrence of any Meeting at which such Proxy is intended to be used; and, *2ndly*, That no individual shall, under any circumstances, hold at one time more than twenty Proxies. Should more than twenty Proxies be tendered for registry in favor of any individual, it shall be the duty of the Secretary to the Fund to give notice thereof to the holder and to the granters whose Proxies are last tendered for registry, with the view to their appointing some other party to vote on their behalf. A second nomination shall be valid, if registered and countersigned at any time before the Meeting at which it is intended to take effect.

For Forms of General and Special Proxies, see A and B of the Appendix.

ARTICLE XVI.

The annual Accounts of the Fund shall be made up to the end of April, and submitted by the Managers at the half-yearly General Meeting of the Subscribers, to be held in the month of July of each year. After being approved by the Meeting, a general Statement of the state of the Fund shall be published, for the information of the Subscribers, in the *Calcutta Gazette*. A Committee of Managers of the Fund shall, at each January Meeting, be appointed for the ensuing year ; and shall consist of the Secretary to the Government, in the General Department, the Accountant-General, the Sub-Treasurer, and the

Civil Auditor, for the time being, with five other Members to be elected at such General Meeting.

ARTICLE XVII.

The Committee of Managers, or the majority of those present at a Meeting of five or more, or, if less than five be present, any three Members of the Committee who may concur in opinion, shall be competent to decide, in the first instance, upon all matters connected with the Fund, not expressly reserved for the determination of a General Meeting; but every act of the Managers shall be liable to revision and control. by the Resolution of a General Meeting. It shall, moreover, be the duty of the Managers to report at the half-yearly Meetings the matters determined by them in the expired period.

ARTICLE XVIII.

The Committee of Managers shall, subject to the control of a General Meeting, appoint the Secretary and Accountant to the Fund, and shall fix such allowance for him, payable from the Fund, as they may consider adequate to his services. The Officer so appointed shall act under the immediate directions of the Committee of Managers, and shall also attend and obey the instructions of all General Meetings of the Subscribers; the Proceedings of which, and of the Committee of Managers, and generally all papers appertaining to the Institution which may not be intrusted to the Treasurer in India, or to the Agents in England, shall be kept under the charge of such Secretary and Accountant; and shall, on application to him, or to the Committee of Managers, be open to the inspection of any of the Subscribers to the Fund. It is to be understood that the Secretary, and Accountant appointed as above shall not be subject to removal from his situation by any future Committee of Management, but in concurrence with a majority of Subscribers at a General Meeting held as prescribed, provided, however, that it shall at any time be competent to the Committee to suspend the said Secretary and Accountant from the exercise of his functions, and to delegate them to another pending the disposal of the question which may have given rise to such a proceeding.

ARTICLE XIX.

In the event of any of the Managers, who may be elected annually, being subsequently removed from the Presidency without an intention or expectation of returning during the year of their election, it shall be communicated to the Subscribers at the next General Meeting; and in such instances, as well as in all instances of a vacancy in the situation of Manager, by death or otherwise, a new election, if necessary, shall take place for the unexpired term of the current year.

ARTICLE XX.

All Applications for Admission to the Benefits of the Fund shall be made to the Committee of Managers; and shall be accompanied

by the necessary Information, Documents, and Proofs, to enable the Managers to ascertain the circumstances and situation of the party on whose behalf the Application is made. The Managers, after calling for any further Information or Evidence which may appear to them requisite, are to submit the Application, with the whole of the papers received by them, and the decision they may have come to thereupon for the determination of the Subscribers at the next General Meeting. In cases of Emergency and Distress, when the Managers may consider the Party for whom the Application is made clearly entitled to the benefit of the Fund, they are authorized to advance such Proportions of the fixed Allowances hereafter specified as may appear to them indispensably requisite, till a final Determination can be passed by the Subscribers at the next General Meeting aforesaid.

ARTICLE XXI.

On the death of any Subscriber to the Fund, who may not be possessed of Property sufficient to provide for his Family, and may leave a Wife, co-habiting with, or maintained by him, living under his protection at the period of his decease, without an adequate Provision for her Support, as hereafter specified if on the Information, which may be submitted by her, or in her behalf, to the Managers of the Fund, it shall appear to the satisfaction of a General Meeting of the Subscribers that she is a proper Object of the Fund, a Pension shall be assigned to her from the Fund, under the Provisions and with the Limitations stated in the following Article:—Provided that nothing contained therein, or in any part of the Rules of this Institution, shall be considered to entitle to the benefits of it any Widow who may have been separated, under a legal decision, from her Husband for misconduct on her part; or who may be known to have been living in a state of adultery, though not divorced or separated from him by Law

ARTICLE XXII.

First.—If the Widow, at the time of her Husband's death, be resident in India, and be left without an income exceeding one hundred Company's Rupees per mensem, a Pension shall be assigned to her from the Fund of three hundred Company's Rupees per mensem during her Residence in India. If the Widow be not resident in India at the time of her Husband's death, or shall afterwards quit India, and her income from her Husband's Estate, or otherwise, shall not exceed one hundred Pounds Sterling per annum, the Pension to be assigned to her from the Fund shall be three hundred Pounds Sterling per annum.

Second.—If the income of the Widow, resident in India, at the death of her Husband, be more than one hundred Company's Rupees per mensem, but shall not exceed four hundred per mensem, during her residence in India; or if the Widow be not resident in India at the time of her Husband's death, or shall afterwards quit India, and her income be more than one hundred Pounds Sterling per Annum,

but shall not exceed four hundred Pounds Sterling per annum, the Pension to be assigned to her from the Fund shall be such as will make up her income to four hundred Company's Rupees per mensem, during her residence in India, or four hundred Pounds Sterling per annum in Europe, or elsewhere.

Third.—In the event of a Widow, to whom a Pension may have been assigned from the Fund, acquiring subsequently by inheritance, bequest, or otherwise, any Property or income which, with the Property left on her Husband's decease, and the Pension received by her from the Fund, may render her total income, including her Pension from the Fund, more than four hundred Company's Rupees per mensem, during her residence in India, or more than four hundred Pounds Sterling per annum in Europe, or elsewhere, her Pension from the Fund shall be liable to abatement, in proportion to the excess of her entire income, including the Pension, above the sum specified, or be altogether discontinued, in the event of her Property or income, exclusive of the Pension assigned to her from the Fund, being equal to the full sum of four hundred Company's Rupees per mensem in India; or four hundred Pounds Sterling per annum in Europe, or elsewhere.

Fourth.—All Pensions to Widows shall be discontinued on their re-marriage. But in the event of their being again left in a state of Widowhood, without an adequate provision for their support, and of their appearing to be proper Objects of this Fund, they may be again admitted to the benefits of it, under the same Provisions and Limitations as on their original admission.

Fifth.—The Pensions to Widows, who may be admitted to the benefits of the Fund, shall be paid in advance half-yearly, to themselves, or to their authorized Agents. But the acknowledgment of the Widow herself shall be taken for all sums paid in her behalf, and shall contain a solemn declaration that her entire income, including the Pension received by her, does not exceed the sum of four hundred Company's Rupees per mensem, if she be resident in India, or four hundred Pounds Sterling per annum, if she reside in Europe, or elsewhere. And it shall be incumbent on the Managers to suspend the payment of the Pension of any Widows who may refuse to make such declaration, reporting the case for the decision of a General Meeting of the Subscribers.

ARTICLE XXIII.

If any Subscriber to the Fund shall die without the means of providing for his family, and shall consequently leave a Child or Children, born in wedlock, without an adequate provision for their maintenance and education; and if, on the Information, Documents, or Evidence which may be submitted on their behalf to the Managers of the Fund, it shall appear to the satisfaction of a General Meeting of the Subscribers, that they are proper objects of the Fund, an allowance for their maintenance and education shall be assigned from the Fund, under the provisions and limitations contained in the following Article:—

ARTICLE XXIV.

First.—If the Child or Children of the deceased Subscriber shall be left without any Provision from his Estate, or otherwise, the allowance for the education and maintenance of each Child, to be granted from the Fund, in India or in Europe, shall be, according to the age of the Child, as follows, *viz.*:—

Till five years of age, thirty Company's Rupees per mensem in India; or thirty Pounds Sterling per annum in Europe.

From the commencement of the sixth year to the end of the eighth year, forty Company's Rupees per mensem in India; or sixty Pounds Sterling per annum in Europe.

From the commencement of the ninth year, to the end of the eleventh year, fifty Company's Rupees per mensem in India; or eighty Pounds Sterling per annum in Europe.

From the commencement of the twelfth year, sixty Company's Rupees per mensem in India, or one hundred Pounds Sterling per annum in Europe.

Second.—If any Provision be left by a Subscriber for his Child or Children; or if, after his death, such Child or Children shall at any time become possessed of any Property or income, by inheritance, bequest, or otherwise, but not such as to afford the sums specified for their education and maintenance, the Allowance to be granted from the Fund shall be such as, in addition to the Property or income possessed by them, will make up the several sums above specified, according to their respective ages, and as they may be resident in India or in Europe.

Third.—In the event of the Property or income left to the Child or Children of a Subscriber at his death, or which may subsequently devolve to, or be in anywise acquired by them, being such as to afford the amount specified for their education and maintenance, they will not be entitled to any allowance from the Fund, and any allowances which may have been granted before such accession of Property or income shall be discontinued.

Fourth.—The allowances granted from the Fund for the maintenance and education of Children, shall be paid in advance half-yearly to their Guardians or Relatives having the care of them, or to such persons as may be intrusted with the disbursement of the sums allotted for them, either by the Managers of the Fund in India, or by the Agents to the Fund in England.

Fifth.—The Provision so made from the Fund for the maintenance and education of female Children shall cease on their marriage; and the Provision for male Children shall cease on their being settled in any profession or employment, or on their attaining the age of twenty-one years, whichever shall first happen.

Sixth.—Bonâ fide savings from the pensions assigned to any family from the Fund are not subsequent acquisitions within the meaning of Articles 22 and 24, and such savings may be enjoyed by any member or members of the Fund without any deductions from the pension assigned.

ARTICLE XXV.

No Family becoming hereafter dependent on the Fund shall receive from the Fund an allowance exceeding in all six hundred Pounds Sterling per annum, or in India six hundred Company's Rupees per mensem, and the reduction shall be made rateably.

ARTICLE XXVI.

First.—It being the obvious duty of all persons who have families, and possess Property sufficient to provide for them, to make a proper testamentary Provision for them; it shall be requisite, in all cases of Application being made to the Fund for assistance to the family of a deceased Subscriber, that an authenticated copy of the Will of the deceased, or if he shall have died intestate, that a full and authentic Statement of any Property left by him, and of the legal heirs thereto, be submitted for the information of the Managers and Subscribers. And it is hereby declared that a General Meeting of the latter, duly held according to the Rules of the Institution, shall have full power to reject the application for aid from the Fund, in any instance in which it may appear that a Subscriber, leaving Property at his death, and having the power to dispose of it, has made no due provision for his Family.

Second.—And in case it shall be proved to the conviction of a General Meeting of Subscribers that a deceased Member of this Fund has, during his life time, whether in immediate anticipation of his death, or otherwise, made such a disposition of any part of his Property, real or personal, as but for this rule would throw the entire or partial support of his Widow or Offspring upon the Fund, who would not have been so supported by the Fund had such part of his Property not been so disposed of, with the intention thereby of benefitting any party at the expense of the Fund, then the Widow or Offspring of such a Member, or both, shall forfeit all right to any part of the support which would have been claimable if no such disposition had been made.

ARTICLE XXVII.

In addition to the information required by Articles XX. and XXVI. to be furnished to the Managers, before any allowance shall be granted from the Fund to a Widow, a solemn declaration shall be made and subscribed according to such of the subjoined Forms as may be applicable to the circumstances of the case.

First.—If the Widow shall not have any Offspring by the deceased, and shall not be possessed of any income, except such as may be derived from personal Property, the declaration to be made shall be according to the Form C of the Appendix.

Second.—If the Widow shall have any Child or Children living by her late husband, or if any Child of his shall afterwards be born, and neither she nor such Child or Children shall be possessed of any income, except such as may be derivable from personal property, the declaration to be made shall be according to the Form D of the Appendix.

Third.—If the Widow shall possess or be entitled to any income, exclusive of such as may be derivable from personal Property, there shall be substituted for either of the preceding Forms the Form E of the Appendix.

ARTICLE XXVIII.

Whatever real or personal Property the Widow or Offspring of a Subscriber may be possessed of at the time of application for admission to the benefits of the Civil Fund shall be regarded as an available source of income and, as such, shall be taken into account at a just valuation, or according to the amount realizable by public sale, the income derivable from such Property being calculated at a rate of interest at four per cent. per annum. But from the latter part of the above provision are to be excepted all monies vested in Bank of Bengal Shares, Government Notes, or other Public Securities, the income arising from which shall be taken at what they actually yield. The same rule of calculation shall be adopted in the case of property of any description afterwards devolving on an incumbent on the Fund.

ARTICLE XXIX.

The declaration which by the 5th Clause of Article XXII. is required to be made half-yearly by Widows who may be admitted to the benefits of the Fund shall be according to the Form F of the Appendix. And in case a Widow shall have acquired any property whatever subsequently to the date of her admission to the benefits of the Fund, a specification thereof shall be subjoined to that declaration.

ARTICLE XXX.

The Mother, Guardian, or other person, who may be in charge of any Child or Children entitled to a provision under Articles XXIII. and XXIV. of these Rules, or any other person who may be authorized to receive the same on account of such Child or Children before he or they shall be enabled to receive the Annuity payable, or any part thereof, shall take and subscribe a solemn declaration according to the Form G of the Appendix; and if such Child or Children shall have become entitled to any property yielding an income, the same shall be specified as provided in that Form.

ARTICLE XXXI.

The several declarations required to be taken by the 5th Clause of Article XXII., and by Articles XXVII. and XXX., shall be made before a Justice of the Peace, or other person competent to take the same, and such declaration shall be dated and signed on or subsequent to the day on which the Annuity is claimable, and shall, in the event of the Widow, Guardian, or other person entitled to receive the same being in Europe, be delivered to and left with the Agents for the Fund in England; or if such Widow, Guardian, or other person shall be in India, it shall be delivered to and left with the Managers of the Fund for the time being.

ARTICLE XXXII.

If a Married or Widower Subscriber to the Fund continuing in the Civil Service shall have proceeded to or remain in Europe, otherwise than on Furlough Allowance, he shall be permitted, in order to secure to his Family

the benefits of the Institution in the event of his death while absent from India, to pay to the Fund a monthly Subscription equal to that which he would have been required to pay if on Furlough allowance: provided, however, that no Subscriber shall be permitted to avail himself of the above Rule for any period exceeding five years from the date of his departure from India, and that no Subscription shall be received from him after the expiration of that period; provided further that should the average payments above described be discontinued for the period of one year consecutively, the same shall be held and deemed to be a resignation and abandonment of the Institution, and the family of the Subscriber shall not have any claim upon the Fund, even upon payment of the arrears due, unless good and sufficient cause for the omission be shown to the satisfaction of a majority of the Subscribers at large.

ARTICLE XXXIII.

If a Subscriber to the Fund, who has served twenty-two years in India, retires from the Service, or if, having served ten years in India, he retires from ill health, and at the time of retirement, as above stated,, shall have contributed, by his previous payments to the Fund, including interest, the sum of twenty-five thousand Company's Rupees; or if, on his quitting the Service, he shall pay to the Fund what may be wanting to complete his contribution to that amount, such contribution shall entitle the family of such Subscriber, on his death, to the benefits of the Institution, under the several provisions hereinbefore stated, or such as may hereafter be established, in like manner as if his death had taken place during his residence and actual Subscription to the Fund in India. The family of any Subscriber to the Fund who may die during his temporary absence from India on leave shall be considered entitled to the benefits of the Fund under the existing Rules. Subscribers in India who may cease to receive any public allowances shall be considered as having retired from the Service from the date of their allowances ceasing. In all cases, not expressly provided for, it shall be at the option of the Subscribers at large to admit or reject the claim of any Subscriber or his family, and such decision duly passed shall be final and conclusive.

ARTICLE XXXIV.

In the event of any Subscriber to the Fund discontinuing his monthly Subscription thereto for the period of one entire year, he shall be considered to have withdrawn from the Fund altogether, and his family shall not, in the event of his death, have any claim upon the Institution; provided, however, that in all such cases it shall be the duty of the Managers to cause a written communication to be made by the Secretary to such Subscriber, informing him that his name has been struck off the Fund; and provided further, that it shall be competent to a General Meeting of the Subscribers to readmit such Member, on his appealing to the Subscribers at large, and showing what in their opinion shall be good and sufficient cause for his having omitted to comply with the Rules of the Fund.

ARTICLE XXXV.

If a Subscriber to the Fund shall be suspended from the Service of the Honorable Company, and shall die during the period of his suspension, his widow and children shall be entitled to the benefits of the Institution in like manner as if he had not been suspended, provided he continue to pay at the rate fixed on his actual allowances under Article IV.

ARTICLE XXXVI.

If a Subscriber to the Fund shall be dismissed from the Service of the Honorable Company, in the event of his death, his Widow and Children shall have no claim to the benefits of the Institution, and he shall not be allowed to retain any interest in the Fund by making any payment whatever.

ARTICLE XXXVII.

Any person admitted into the Bengal Civil Service with permission to take rank in that Service above any person that has been a Subscriber to the Fund for a longer period than one year, shall not be entitled to become a Subscriber to the Fund, except upon the following conditions, *viz.:*

First.—If the individual so circumstanced shall be unmarried, he shall not become a Member of the Fund, except on condition of his paying to the Treasurer, within a period not exceeding six months from his commencing to receive salary from the Bengal Government, a sum of money equal to the average amount of the aggregate subscriptions of the unmarried Members in whose year the individual wishing to subscribe may rank in the Bengal Civil Service, with interest thereon at the rate of five per cent. per annum.

Second.—If the individual so circumstanced shall be married, or be a Widower, having a Child or Children, he shall not become a Member of the Fund, except on condition of his paying to the Treasurer, within a period of six months from his commencing to receive a salary from the Bengal Government, a sum of money equal to the average amount of the aggregate subscriptions of the married Members, retaining a contingent interest in the Fund, in whose year the individual wishing to subscribe may rank in the Bengal Civil Service, with interest thereon at the rate of five per cent. per annum.

Third.—Any applicant giving to the Secretary of the Fund a written authority for the deduction of twenty per cent. from his future monthly allowances until the sums due from him under the above Rules, with interest at the rate of 5 per cent. per annum, be paid up, shall be considered as having fulfilled the conditions required of him; provided always that his Family shall not benefit from the Fund, if he quit the Service before paying up the whole amount due from him.

Fourth.—The Managers are authorized to admit applicants, in the first instance, agreeably to the foregoing Rules, but in all such cases the application shall be submitted for confirmation at the next General Meeting.

Fifth.—All cases and questions not expressly provided for by these Rules shall be submitted by the Managers for the votes of the Subcribers at large, whose decisions thereon shall be final.

APPENDIX.

FORM A. OF GENERAL PROXY.

I, A. B., do hereby authorize and appoint C. D. to vote for me upon all questions to be determined at the General Meetings of the Subscribers to the Civil Fund, and I hereby bind myself to abide by the vote to be given in my behalf the same as if I myself had been present and voted at such Meeting.

(Signed) A. B.

FORM B. OF SPECIAL PROXY.

I, A. B., do hereby appoint C. D. to vote for me on all questions arising on the proposition to be decided upon at the General Meeting of the Subscribers to the Civil Fund appointed to be held on the

(Signed) A. B.

FORM C. REFERRED TO IN ARTICLE XXVII.

I, A. B., (of the age of years), now resident at , the Widow of C. D., formerly a Civil Servant on the Bengal Establishment in the East Indies, do hereby solemnly and sincerely declare that I am not possessed of or entitled to any property from which I can derive the smallest income, with the exception of the personal property, of which a rough Schedule is annexed; and that, with the exception stated, my sole dependence for support is on the Annuity to be granted to me from the Civil Fund of that Establishment.

(Signed) A. B

Acknowledged and declared at this day of before me.

The above declaration is to be accompanied by a rough Schedule of any personal property possessed by the Widow, and of its estimated value, under the general heads of valuable plate, household furniture, equipages, &c., but without any more detailed statement, and showing the estimated total amount possessed by the Widow after payment of any debts for which such property may be liable.

FORM D. REFERRED TO IN ARTICLE XXVII.

I, A. B., (of the age of years) now resident at the Widow of C. D., formerly a Civil Servant on the Bengal Establishment in the East Indies, do hereby solemnly and sincerely declare that the said C. D. left surviving him one Child named now alive, and of the age of years (or if more than one Child, their names and several ages to be stated); and that I am not, nor is (or are) the said Child (or Children) at this time possessed of or entitled to any property from which I or the said Child (or Children) can derive the smallest income, with the exception of the personal property, of which a rough Schedule is annexed; and that, with the exception stated, my sole dependence and that of the said Child (or Children) for support is on the Annuities to be granted to me and to the said Child (or Children) from the Civil Fund of that Establishment.

(Signed) A. B.

Acknowledged and declared at this day of before me.

Here a Schedule of property to be annexed as in Form C.

FORM E. REFERRED TO IN ARTICLE XXVII.

I, A. B., of the age of years (describing here residence and naming her late husband as before) do hereby solemnly and sincerely declare that the said C. D. left surviving him one Child named now alive, and of the age of years, (or if more than one Child, state their several names and ages,) and that neither I nor my Child (or Children) above-named are at this time possessed of or entitled to any property yielding or capable of yielding a greater annual income than Pounds Sterling; and I do further declare that the sources of the said annual income are truly stated below, and that beyond the amount which is or may be thence derived, the sole support of myself and of the said Child (or Children), is the assistance I expect to receive from the Civil Fund of that Establishment.

(Signed) A. B.

Acknowledged and declared, &c.

Here state the sources from which such income may be derived.

FORM F. REFERRED TO IN ARTICLE XXIX.

I, A. B., now residing at Widow of C. D., formerly a Civil Servant on the Establishment of Bengal in the East Indies, do hereby solemnly and sincerely declare that I have not become possessed of any property or income since the date when the Annuity was granted to me from the Civil Fund of that Establishment, except such as is below specified; and that my entire income, including the pension received from that Fund, does not at this time exceed Rupees or Pounds Sterling.

(Signed) A. B.

Acknowledged and declared, &c.

Here to be specified any property yielding, or capable of yielding, an income since acquired; or, if none acquired, to be so specified.

FORM G. REFERRED TO IN ARTICLE XXX.

I, A. B., (Mother, Guardian or Relative) of the Child, (or Children) of C. D., formerly a Civil Servant on the Establishment of Bengal in the East Indies, do hereby solemnly and sincerely declare that (here enter at full length the names and ages of the Child or Children of the deceased) a Child (or Children) of the said C. D. is (or are) at this time alive, and that to the best of my knowledge and belief he (or she) has (or have) not (nor has either or any of them) to this day become entitled to or possessed of any additional property or income since the date when the Annuity (or Annuities) was (or were) first granted to him (or her or them) from the Civil Fund of that Establishment, excepting such as is here below specified.

(Signed) A. B.

Acknowledged and declared, &c.

Here to be specified as in Form F.

CORRESPONDENCE.

Letter from Mrs. Sage, to the Secretary to the Bengal Civil Fund, dated 12th March 1838.

Having received an official information that Mr. Sage has withdrawn his name from the Civil Fund, and that the Managers of the Fund have consented to allow of this measure on the 1st of April next, I beg to submit my destitute condition to the Managers of that Fund, and to request that they will lay my case before the Honorable the Vice-President in Council, praying that the Government will take such measure as may appear to them most expedient to prevent Mr. Sage excuting an act that would throw me and my infant daughter into actual beggary in the event of his death; and that, in case of Mr. Sage's refusal to continue his monthly subscription, that I may be permitted to subscribe the same in the name of Mr. Sage.

Letter from the Secretary to the Bengal Civil Fund, to the Secretary to the Government of Bengal, General Department, dated the 16th March 1838.

At the request of Mrs. Sage, I am directed by the Managers of the Civil Fund to submit the accompanying papers to the consideration of his Honor the President of the Council.

Letter from the Secretary to the Government of Bengal, to the Secretary to the Bengal Civil Fund, dated the 21st March 1838.

I am directed to acknowledge the receipt of your letter dated the 16th instant, with its several enclosures, relative to a proposition from Mrs. Sage to continue the payment of the amount of subscription to the Fund on her own account in consequence of Mr. Sage having signified his wish to withdraw his name; and in reply to state that, if the Subscribers to the Fund shall determine to allow Mrs. Sage to continue the subscription for her own benefit, the Honorable the Deputy-Governor of Bengal will be prepared, on their application, to secure Mrs. Sage the means of continuing the subscription from any allowances that may be payable from the Treasury to Mrs. Sage's receipt. It will remain for the Managers to determine whether, under this assurance, they will recommend to the proprietors the extension of such indulgence to Mrs. Sage.

Extract from a letter from the Honorable the Court of Directors addressed to the Government of Bengal, in the Financial Department, dated the 1st April 1840, No. 6, enclosed in Mr. Secretary Bushby's letter of 20th May 1840.

Mr. Sage having been admitted to the Service prior to the 17th January 1823, may, under Article III of the Rules, withdraw from the Civil Fund, unless he has subscribed the declaration of a determination to continue his subscriptions referred to in that rule. The admission of Mrs. Sage to the privilege of continuing the subscriptions is a matter of pure indulgence. If the Subscribers are willing to grant it, we shall not object to the requisite deductions being made at the Treasury from any allowances payable there on account of Mrs. Sage.

Letter from the Honorary Secretary to the Bengal Civil Fund, to Mrs. Sage, dated 20th July 1840.

In advertence to your communication to the Managers, of date the 12th of March 1838, requesting to be allowed to subscribe in case of Mr. Sage persisting in his then expressed determination of withdrawing his name from the Fund, the

consideration of which was rendered unnecessary by the subsequent restoration of his name in the Fund Books at the request of Mr. Sage himself, I am directed by the Managers to annex for your information copy of a letter dated the 9th instant, received from Mr. Sage, wherein he has again desired that his name may be struck off the list of Subscribers. A copy of the réply made on the 18th instant, by order of the Managers, to Mr. Sage is also appended for your information, and that you may adopt such measures as you may deem most conducive to your own interests.

Letter from the Managers of the Civil Fund, to the Secretary to the Government of India, dated 7th August 1839.

We have the honor to request that you will lay before His Honor the Deputy-Governor of Bengal the following case, which, we conceive, merits the favorable consideration of the Honorable the Court of Directors, for whose decision we respectfully beg His Honor to forward it.

The case is that of Mr. James Bell, a Bengal Civilian of the year 1794, who became insane, and was permitted to proceed to England in January 1805. Mr. Bell never was, strictly speaking, a Subscriber to the Fund, for no subscription was received from him until he had actually embarked for Europe. Nevertheless, as he had before intimated his willingness to subscribe, and in consideration of his peculiar case, the Subscribers determined to admit him as a member of the Fund; and, in accordance with that resolution, he was granted the temporary allowance then made from the Fund to Subscribers, without sufficient property of their own, compelled to proceed home for the recovery of their health, *viz.*, of £279-10 per annum, being £375 less £77-10, it is believed, on account of private property, under Article 21 of the Rules then existing, the said allowance was made to Mr. Bell for three years from the date of his quitting India. At the expiration of that time, at the earnest solicitation of his brother, Mr. W. Bell, the allowance was continued to Mr. James Bell for two years longer, with reference to an additional Rule which had been passed on the 27th of October 1808, admitting such allowances being continued in cases of mental derangement for *two* years beyond the three contemplated by Rule 21. At the end of this second term, Mr. Bell's *five* years' leave had expired, and as he was still labouring under the same malady which had compelled his proceeding to Europe in 1805, and, therefore, could not return to his duties in India, he was considered as out of the Company's Service; consequently, he ceased at the same time to be a Member of the Fund, and under the rules, his allowance from the Fund also ceased.

Subsequently, however, a strong representation was received from Mr. William Bell of the deplorable state of his brother's health, stating the utter hopelessness of his ever recovering, and his having no means whatever of support, if the allowance hitherto granted by the Fund were discontinued, and praying for its continuance permanently to his brother. The Meeting of Subscribers held on the 28th October 1811, which considered this representation, and the distressing circumstances therein brought to their notice, although much inclined to grant the application, found it out of their power, under the Rules of the Institution, and, consistently, with a due regard for parties who had and might have under those Rules a *right* to claim support from the Fund, to make the allowance permanent, and agreed only to extend it for two further years, reducing the allowance to £200 per annum. But

on a second appeal from Mr. William Bell to the Subscribers, and a reiteration of the distressing condition of Mr. James Bell, the whole case, was submitted to the Subscribers at large by the General Meeting of 26th April 1813; and it appearing at the Special General Meeting held on the 26th July following, "that a majority of the Subscribers at large were for continuing the allowance to Mr. Bell as long as his malady continues," it was resolved accordingly to make the allowance to Mr. Bell continue so long as his complaint continued, and the Agents were instructed to obtain annually from the friends of Mr. Bell medical certificates as to the state of his health. In accordance with that final decision, the allowance of £200, less a deduction of £43-15 on account of income which it appears Mr. Bell derives from some private property, has been paid ever since to Mr. W. Bell on account of his brother.

The Managers have entered into the above particulars, in order to show that it was purely out of pity for the distressing nature of the case that such a departure from the Rules of the Institution was permitted.

The above charitable resolution was passed at a time when the Fund was considered to be in a solvent state. Time has shown that this opinion was mistaken, and that, from its institution, the Fund has been yearly incurring contingent liabilities greater in amount than the stock it has been setting aside to meet them. But still it was only under an erroneous view of the state of the Fund that this extraordinary outlay was agreed upon.

Now, however, the state of the Fund is very different; or rather, we should say, the time has come when the insolvency of the Fund is no longer concealed,—so much of the contingent liability before incurred has become an actual incumbrance, that it is now apparent that the Fund can no longer meet the regular claims upon it without extraordinary contributions. It has been forced by its insolvent condition from time to time to withdraw benefits held out to Subscribers at its institution. From the 1st of January 1838 a large extra contribution has been paid, not with the hope of making the Fund solvent, but in order to make the current receipts defray the current charges. It was at the same time resolved, in consequence of the liabilities of the Fund being known not to have reached nearly their maximum, to have the contributions so fixed that at the commencement of every three years there should be a yearly surplus of Rupees 25,000. Taking the extra contribution into account more than that surplus existed on the 1st of January 1838, but so rapidly are the regular liabilities of the Fund increasing, that in eighteen months that surplus has been absorbed and a deficit incurred.

Under these circumstances, it is evident that the Fund will eventually be necessitated to reconsider the resolution whereby the extraordinary allowance was continued to Mr. Bell. But the melancholy condition of that gentleman has induced us respectfully and earnestly to press his case upon the Honorable Court, as we feel it to be one on which their wonted liberality may be exercised with the strictest justice, and with regard to precedent.

On this Fund Mr. Bell has no claim, either by rule or custom. There has never been a similar allowance continued beyond the regular time under similar circumstances to any other Subscriber, and the Subscribers cannot but feel that any one of them to whom the same misfortune may now happen, must (in consequence of changes of Rule which necessity has enforced) be left without assistance even for a day from this Fund. But we venture to urge that the generosity of the

Honorable Court has always afforded to Members of the Service on whom the same heavy visitation has fallen such support as is indispensable in their melancholy conditions. We may instance the cases of Mr. H. Smith and Mr. P. M. Wynch as cases precisely similar to that of Mr. Bell, when the allowance from this Fund to which that gentleman has no title ceases. We, therefore, earnestly entreat that the Honorable the Deputy Governor of Bengal will lend his support to our prayer, which is, that the Honorable Court may be pleased to exercise the same benevolence in Mr. Bell's case that they have always so liberally exercised in other similar cases.

From the Secretary to the Government of India, to the Managers of the Civil Fund, dated 28th August 1839.

I am directed by the Honorable the President in Council to acknowledge the receipt of your letter dated the 7th instant, submitting the case of Mr. Bell, a Civil Servant of the year 1794, who became insane and proceeded to England in 1805, since which date he has received support from the Fund representing that the present state of the Fund will not admit of its continuing the allowance to Mr. Bell, and soliciting under the peculiar circumstances of his case that the Court of Directors be moved to exercise the same benevolence towards him, which the Court has exercised in the case of Messrs. Smith and Wynch.

In reply, I am directed to inform you, that the subject of your letter under acknowledgment will be brought to the notice of the Honorable the Court of Directors.

NOTE.—The Court of Directors appear not to have taken notice of this letter. Mr. Bell may have died and the pension ceased. As pensions are paid in advance, it was not necessary to find out the cause of stoppage of pension.

Proposition by Mr. C. Hudson for the quicker and better realization of subscriptions to the Fund, submitted by the Honorary Secretary for consideration and orders of the Managers, dated 23rd April 1840.

The present method of realizing subscriptions is this: The Civil Auditors having made the necessary deductions from bills, the amounts of those bills, when paid, are entered in the Treasury Accounts as a charge in full; and the subscriptions are at the same time credited on the opposite side to the Fund. In the Mofussil, the Collector then draws a draft on the Sub-Treasurer for the aggregate of subscriptions credited by him in the *previous* month* (charging "Civil Fund," and crediting "bills payable," with the same), which draft is remitted to the Treasurer of the Fund. After the process of acceptance in the Accountant-General's Office, it appears as a credit in the Sub-Treasurer's books to the "Managers and Trustees, Civil Fund." The aggregate amount of all such credits, together with credits which are directly made in the Treasury books, as from Salary Bills paid *here*, are, on the 1st of the succeeding month, invested in a Treasury Note bearing interest *from that date* at 5 per cent.†

Besides the complexity of the above method, and the multiplication of accounts, it gives rise to both as respects Government and the Fund, it is open

---

* It often happens that drafts are not drawn for two and three months together, or are delayed being forwarded for a longer time.

† So that in the cases of sums remitted by drafts the Fund loses interest at least for two months.

to various other objections, it entails much time and trouble,—1*stly*, to the Fund Establishment, from the necessity of registering all these drafts, and seeing that no omissions of form, &c., exist in any of them; 2*ndly*, to the Collector, who remits the draft, with letter and list giving particulars of subscription; 3*rdly*, to the Accountant-General's Office, where the drafts are registered and accepted; and, 4*thly*, to the Sub-Treasurer, who credits, and as Treasurer acknowledges receipt of drafts.

The chief objection, however, is, that the system provides but a slow means of realizing the Fund's subscriptions, only perhaps a degree or two better than the old plan which prevailed before 1835, of certificates being granted every quarter by Government for subscriptions credited in the Government books during the three previous months of the year. As the Fund receives five per cent. directly, and 3 per cent. indirectly, in all 8 per cent. per annum, on all subscriptions from the moment of their being invested in Treasury Notes, it is a very great object to the Fund that no delay in the remission of subscriptions should be allowed.

Mr. Hudson, the Head Assistant in the Audit Office, has proposed a plan that appears to me excellent. He observes that, as the deductions are made in the Offices of Audit, the Fund might easily obtain an audit in its favor for all sums so deducted in each month; and a Statement thus attested by the Civil Auditor might be handed over to the General Treasury, and would ensure the more *complete* and *earlier* credit of all subscriptions; and as it would save all the inconvenience that now occurs from the remittance system, and as the Accountant's officers seem to consider the plan to be advantageous and exceedingly practicable, the Honorary Secretary begs to recommend it for the consideration of the Managers. If the scheme be approved by the Managers, the Honorary Secretary will draft a letter to Government, soliciting that the Civil Auditor be authorized to grant a monthly audit to the effect mentioned in favor of the Fund, which, on being presented to the Sub-Treasurer, may enable him to enter a formal credit to the account of the Fund in lieu of the present system, which, as above shown, involves such loss of interest and such trouble.

Letter from the Managers to the Civil Fund, to the Secretary to the Government of India, dated 25th April 1840.

We have the honor to request that you will lay before the Right Honorable the Governor-General in Council for his favorable consideration the following proposition for the regulating of the accounts and subscriptions of the Bengal Civil Fund, which will be highly advantageous to the Fund, if granted, and which we have good reason to believe will not be objectionable, but rather expedient in respect to its application to the accounts of the Government.

2. It may be first necessary to point out in what respect the system at present in force of accounting for and realizing subscriptions paid on account of the Fund appears to us objectionable; and in order to do this, it is requisite that we should briefly place before His Lordship in Council the details of the present practice of realizing contributions to the Fund. The Civil Auditor having made the necessary deductions from the salary Bills of Members, the amount of those bills when paid are entered in the Treasury Accounts as a charge *in full*; and the subscriptions are at the same time credited on the opposite side to the Fund. In the mofussil the Collector then draws a draft on the Sub-

Treasurer for the aggregate of subscriptions credited by him in the *previous* month,* (charging "Civil Fund" and crediting "Bills payable" with the same), which draft is remitted to the Treasurer of the Fund. After the process of acceptance in the Accountant-General's Office, it appears as a credit in the Sub-Treasurer's books to the "Managers and Trustees, Civil Fund." The aggregate amount of all such credits, together with credits which are directly made in the Treasury books as from salaries paid *here*, after being lessened by the charges of the Fund for the month, are, on the 1st of the succeeding month, invested in a Treasury Note bearing interest *from that date*† at 5 per cent.

3. Besides the complexity of the above method, and the multiplication of accounts which it gives rise to both as regards the books of Government and of the Fund, it is open to various other objections. It entails time and trouble,—1*stly* to the Collector, who remits the draft with letter and list, giving particulars of subscription; 2*ndly*, to the Accountant-General's Office, where the drafts are registered and accepted; and, 3*rdly*, to the Sub-Treasurer, who credits, and as Treasurer acknowledges receipts of drafts, and, lastly, to the Fund, from the necessity of registering the drafts, and seeing that no omissions of form, &c., exist in any of them, and checking them where they do.

4. The chief objection in the eyes of the management, however, is that the system provides but a slow means of realizing the Fund's subscriptions, and as the Fund receives 5 per cent. directly, and 3 per cent. indirectly, in all 8 per cent. on all subscriptions from the moment of their being invested in Treasury Notes, it will be seen that it is a very great object to the Fund that its realizations should be effected as expeditiously as possible.

5. The plan which we beg permission to propose is as follows:—That, as the deductions of subscriptions are made in the Offices of audits, the Fund might easily obtain an audit in its favor for all sums so deducted; and that a statement thus attested by the Civil Auditor might be handed over to the General Treasury (of the amount to be credited to the Fund), and by this means the more *complete* and earlier credit of all subscriptions would be ensured.‡ This plan seems so simple and at the same time so practicable that the Managers trust there will be no difficulty in its adoption. It will save the Government Officers of Account all the inconvenience now suffered, and Collectors will be saved the trouble of giving monthly drafts, and the necessity of making *two* entries in every Treasury Account, *viz.*, the charge and credit of the amount remitted under the head "Bills." The credit to "Civil Fund" will of course remain to meet the charge against the same head that will be made by the Sub-Treasurer. The Managers have to explain that the principle of account they now suggest as proper to be established has had the concurrence of the heads of the Offices of Account and Audit.

6. We earnestly hope, therefore, that the Governor-General in Council will sanction the proposed measure, and will direct its early adoption by the proper offices. We would beg to notice that the

---

* It often happens, that drafts are not drawn for two or three months together, or are delayed, being forwarded for a longer time.

† So that, in the cases of sums remitted by drafts the Fund loses interest generally for two months, and sometimes for a longer time.

‡ It is proper to observe, that these Audits will not be realised, till after the payment of the salaries on which the audited deductions may be made.

1st of May, *i. e.*, the beginning of the ensuing official year, offers a favorable opportunity of fixing the period for the commencement of the change. Thus, the deductions on salaries for May next payable in June might come under the new system.

7. We also beg that the same indulgence which we understand has been lately granted to the Military Orphan Institution of receiving interest on its investments from the 1st of the month, is which the amount forming the investment to received by the Sub-Treasurer, may be extended in this Fund. We solicit further that this measure may be allowed to have effect as upon the net amount of balance on the 31st of March last, and as upon that on the 30th instant.

8. We, would urge, in conclusion, upon the consideration of the Right Honorable the Governor-General in Council that the Fund stands in much need of any aid that the Government can extend to it. His Lordship in Council is aware of the insolvent state of the Fund in respect to its contingent liabilities, and of its actual inability without extraordinary contributions from Members to meet the regular claims upon it. This state was briefly explained in our communication of date the 7th of August 1839, when addressing Government on the subject of a pensioner, (Mr. James Bell) whom we considered to have no title to benefit by the Fund, and praying that the Fund might be relieved of the charge on his account, chiefly on the ground of the low state of the finances not admitting of the continuance of the charitable allowance formerly sanctioned to the gentleman in question. It will, therefore, readily occur to the Government of what essential benefit to the Fund will be the concession to it of the principle by which an earlier realization of its subscriptions and a consequent accession of income from interest will be ensured.

Letter from the Secretary to the Government of Bengal, to the Managers of the Civil Fund, No. 552, dated 29th April 1840.

I am directed by the Right Honorable the Governor to acknowledge the receipt of your letter, dated the 25th instant, and, in reply, to inform you that the propositions therein contained have been submitted to the Right Honorable the Governor-General of India in Council, and will be forwarded for the orders of the Honorable the Court of Directors, with whom it rests to regulate the aids which the Civil Fund shall receive from the Government.

2. His Lordship in Council can have, no doubt, that your application will be considered with as favorable and indulgent a disposition as is consistent with a just and economical appropriation of the public money.

Letter from the Managers and Trustees of the Bengal Civil Fund, to the Secretary to the Government of Bengal, dated 15th May 1840.

We have the honor to acknowledge the receipt of your letter of the 29th ultimo, communicating the intention of the Right Honorable the Governor-General of India in Council to forward our application of 25th idem for the orders of the Honorable the Court of Directors.

2nd.—We beg that you will convey to the Right Honorable the Governor-General our respectful thanks for the favorable expressions which accompanied the intimation that our last application would be submitted to the Honorable Court. One part of our request was that the Fund should be allowed interest on the subscriptions of its members from the 1st of the month in the course of

BEAUMONT LIBRARY

which they are paid. The effect of that boon would be that so much of the salaries of Subscribers as goes to this Fund in the shape of subscription would not be paid in arrear. This advantage was granted to the Military Orphan Fund (under orders of Government, Military Department, dated 25th March 1840) in March last by Government without reference to the Honorable Court, and it has before been similarly accorded by Government to the Medical Fund (under orders of Government, Military Department, dated 20th February 1837) and the Uncovenanted Pension Fund. It has also from the first been accorded to the Civil Service Annuity Fund. We, therefore, feel a well founded confidence that the known liberality of the Honorable Court will not object to the grant of the same favor to our Fund, than which there is none other that requires assistance more.

3rd.—But we venture, with great respect and submission, to pray that the Right Honorable the Governor of Bengal, even though His Lordship should still think it necessary to refer the above-mentioned part of our request to the Honorable the Court of Directors before granting it, will be pleased to take into separate consideration that part of our former prayer which respected not any direct pecuniary advantage or aid beyond the strict dues of the Fund, but merely a slight change in the form in which payments are remitted to the Presidency, which, whilst it would obviate a very considerable loss of interest to which the Fund is now subjected, would, we have much reason to think, be very agreeable to the Collectors and to the Public Officers of Account, both at Calcutta and Agra, inasmuch as it would save labor, and simplify the remittance transaction. We, therefore, earnestly solicit that Government may be pleased to re-consider so much of our prayer as is here adverted to.

4th.—We venture to make this application, believing that this part of our prayer is not for an aid of such a description that the regulation of it, as you have informed us in so far as the Civil Fund is concerned, rests directly with the Honorable Court.

Circular for Managers by the Honorary Secretary to the Civil Fund of a reply from Government, dated the 9th May 1840.

The Honorary Secretary begs to circulate again the reply from Government of the 29th ultimo, to the Managers' application of the 25th preceding, for the purpose of directing the attention of the Managers to the minute made on the Government letter by Mr. Manager Grant, and to ask orders thereon. The remarks of the Managers made on the said letter are copied in the margin.*

In compliance with Mr. Bushby's suggestion, the Secretary will immediately address the Accountant-General and Accountant, N. W. Provinces. He begs, however, in adverteuce to Mr. Grant's minute, to add a few remarks, in the hope that the Managers may deem it proper again to address Government.

---

* I think that the Managers should address the Accountant-General, and request him to issue the same instructions to expedite our remittances from the Provinces as he has recently issued in regard to the remittances belonging to the Funds of the Military Orphan Society; in this way we shall gain some portion of the good that we asked the Government to give us. I don't think Government observed that the greater part of what we asked was no aid of money, but a simplification of a process of account merely. The Accountants of Bengal and North-Western Provinces were addressed in 1843-44, and they carried out the plan, as it simplified their accounts.

When the system of quarterly reports by the Accountant-General, and investments effected by that means was abolished, and the system of remittances by drafts and monthly investments came into operation in 1835, no reference was considered necessary to the Honorable Court; and, indeed, the new method was at once entered upon on the plan being mooted, the Accountant-General considering it but a simplification of an existing process of account.

The plan now proposed by the Managers is in like manner merely a modification of an existing and, as has been shown, an objectionable process of account. It does not ask for more interest than the Honorable Court in their despatch of 4th July 1832 prescribed as allowable, nor does it in any way militate against their orders; but we ask the concession of a principle of account by which the Fund will *not lose* so much interest on its own money as it does now. The object the proposed plan has in view is nothing more than to place the Civil Fund more on an equality with other Funds in respect to the date of commencement of interest on its subscriptions, only that the method for gaining the end in view, as last proposed by the Managers, was somewhat better than that prevailing in the other Funds.*

The Secretary would, therefore, strongly urge the propriety of again addressing Government. It might be pointed out that the system submitted involves no sacrifice of principle; that the Managers and Trustees desire only a better order of account whereby the Fund's rightful dues may be *secured*; and that, if still the Government deem it necessary to forward the proposal for the Court's approval, nevertheless, that, pending the receipt of the Court's orders, in consideration of the *loss* the Fund is daily suffering, the measure of relief proposed may be allowed to have immediate effect as a *temporary* one; that, if the Government have any doubt of its practicability, or expediency, it may be sent for report to the Accountant-General and Revenue Accountant.

The *net* average receipts of subscriptions have latterly amounted monthly to Rs 12,000; the loss of interest in *each* month owing to that sum being invested on the 1st of the succeeding month, instead of the 1st of the month of its receipt, is Rs 80, or, in the year, Rs 960. But to this must be added a further loss in the case of subscriptions remitted by drafts upon which interest now begins two months at least behind the date it should. Therefore, on the proportion of such remitted subscriptions which amounts to about Rs 8,500, there is a loss of interest of Rs 56-10-8 per month, or Rs 680 a year. The total loss is Rs 1,640 per annum, exclusive of compound interest.

To save this loss something should be done, and that immediately. The Honorary Secretary confidently hopes that a second appeal to Government will obtain a re-consideration of the subject and gain the concession required.

---

* The Civil Annuity and the Uncovenanted Pension Fund, the Military Orphan, and particularly the Medical Fund, are referred to, the two former are 'Book Debt' Accounts, and are allowed interest in account from the 1st day of the month in which subscriptions have been paid into Collector's or other Treasuries. Orders of Government, dated 27th October 1825 and 14th September 1836. The two last have their money invested as the Civil Fund, and the comparison should be made with these two. The Orphan Fund receives interest on investment from the 1st of the month of the receipt of the money by the Sub-Treasurer. Orders of Government, Military Department, dated 25th March 1840. The Medical Fund receives interest on its investment from the 1st of the month in which the money may have been paid into the Collector's Treasury. Orders of Government, Military Department, dated 20th February 1837.

Letter from the Secretary to the Government of Bengal, to the Managers of the Bengal Civil Fund, dated the 27th May 1840.

I am directed to acknowledge the receipt of your letter, dated 15th instant, and in reply to acquaint you that the Right Hon'ble the Governor-General in Council, on a re-consideration of your application, is still of opinion that it will be proper to wait for the sanction of the Honorable the Court of Directors, to whom it has been referred by the overland mail before authorizing any change, either in the mode by which Remittances are made to the Fund from the Mofussil Treasuries, or by crediting with anticipated interest in the manner and after the precedents explained in your letter.

Letter to the Accountant-General, dated 15th February 1842.

I have the honor to submit for your consideration the following matter of account regarding the Bengal Civil Fund, in order that I may obtain your experienced opinion thereon, and submit the same to the Managers of this Fund. You are aware that condsiderable inconvenience has been and is experienced by public officers from the present system of remittances from all parts of India of the sums subscribed into the Mofussil Treasuries on account of the Fund by means of drafts. It is, therefore, proposed to discontinue the transmission of these manifold drafts, and to simplify the process of credit to a mode almost similar to that which obtains with respect to the Civil Service Annuity Fund.

The accounts of the Annuity Fund are, in conjunction with your books, adjusted periodically in a very satisfactory manner by the detailed statement which I prepare, showing a monthly aggregate amount of subscriptions, a check is established with your books of every month's receipts, and of the interest to be calculated thereon, and thence as well also for the balances of every year. But as respects the Civil Fund, I have not been able to make such satisfactory adjustments. Owing to the dispersion of the amounts of the multitude of drafts drawn by Collectors into various months, no correspondence can be kept up between the months of credit as in our accounts, and as in your books, respectively. This mutual correspondence, you will, I believe, agree with me, is of much importance. But with drafts for broken collections of one month running into another, or mingled with several and various months' collections, leaving at the end of the year a confusion in the totallings and balances, when compared with your books, almost inexplicable, make it nearly a hopeless task to arrive at a correspondent adjustment.

I propose to prepare a monthly statement of subscriptions to the Civil Fund brought to credit in the Collector's and other Treasury accounts throughout India (as in the case of the Annuity Fund), and submit the same to you monthly for verification, the interest to be calculated according to the net aggregate (after deduction of the month's charges) of the amounts thus credited. The subscriptions subscribed in the Lower Provinces I will obtain directly from the Treasury accounts received by the Revenue Accountant, and from the Civil Pay Master, as I do for the Annuity Fund; and for the amount of subscriptions paid in the North-Western Provinces, I hope to obtain monthly statements from Accountant, North-Western Provinces, of the same kind as the statements he has always been so good as to furnish for the Annuity Department. From these authenticated statements (or certificates from Accountant at Agra you will be enabled to check any aggregate of North

Western subscriptions, while the records of the Revenue Department will show the correctness of the totals of the Lower. Upon your verification, the Sub-Treasurer will be enabled to invest the net amount at credit according to the month of such credit. Accordingly, if the proposed plan of account take effect from the 1st May next, the net total amount of subscription brought at credit in that month can be invested as upon the 1st May, (and so on for succeeding months), being the 1st day of the ensuing official year, from which date the Collectors might be instructed to discontinue sending down drafts and their accompanying memorandum for this Fund.

After I shall receive a communication from you I purpose addressing the Accountant of the North-Western Provinces upon this subject.

From the Accountant-General, to the Secretary to the Bengal Civil Fund, dated the 22nd February 1843.

In reply to your letter of the 15th instant, I have the honor to state that I am not aware of any objections to subscriptions to the Civil Fund brought to credit in the accounts of Officers in charge of Public Treasuries being invested in Treasury Notes from statements of subscriptions verified in this Office, as proposed by you in lieu of the mode at present observed, *viz.*, by means of drafts on the General Treasury.

On your acquainting me with the decision of the Managers on the change in question, the necessary instructions will be issued to the several Officers in charge of Public Treasuries on the subject.

Letter from the Secretary to the Bengal Civil Fund, to the Accountant, N. W. P., dated the 8th March 1843.

I am directed by the Managers of the Bengal Civil Fund to forward the enclosed copy of correspondence with the Accountant-General on the subject of the Accounts of this Fund, and to ask your co-operation towards the accomplishment of the proposed arrangement.

2. The existing system of realizing the contributions paid on account of the Fund by means of drafts has been in many ways found inconvenient. The Accountant-General agrees with me in thinking that a plan nearly similar to that of the Annuity Fund will be an improvement, and I hope to obtain your concurrence with this view. By means of monthly statements like those which you have been so good as to furnish me in the Annuity Department the proposed arrangement will, it is considered, be satisfactorily effected. The Managers, therefore, desire me to apply to you for a monthly statement of all subscriptions to the Civil Fund paid in the North-Western Provinces, in order that they may submit the same monthly to the Accountant-General, through whose verification thus obtained the Fund will be enabled to get proper credit for its contributions.

3. Your compliance with this request will materially forward the proposed arrangement, and when it is considered that this will benefit some public interests beside aiding the prosperity of a Fund, in which we are mutually interested, the Managers hope you will kindly extend all the help in your power towards its accomplishment, and give this Fund as to the Annuity Fund gratuitously the necessary monthly statements. Should there be anything, however, to prevent the same favor to the Civil Fund, the Managers will obtain a grant from the Subscribers of about Twelve Rupees a month, or such sum as you may think necessary for securing the object in view.

4. At the first of next May is the date proposed for the commencement of this change, I am directed by the Managers to request that your concurrence being obtained, as they confidently trust you will be so good as to issue the requisite instructions at an early date to the Collectors, &c., in your provinces for the discontinuance of draft remittances to the Treasurer of this Fund, as respects the subscriptions to be brought to credit in their Treasury Accounts from and after 1st May 1843, and that you will kindly give me an early reply in order that the Accountant-General may be informed and enabled to take early steps to communicate with the Collectors, &c., of the Lower Provinces.

Letter from the Accountant, North-Western Provinces, dated the 20th March 1843.

I have the honor to acknowledge the receipt of your letter of the 8th instant, No. , and in reply, beg to observe that I see no objection to the discontinuation of the practice now in force, of remitting the subscriptions of Civil Servants serving in the North-Western Provinces, the Civil Fund credited in the public accounts by monthly drafts to the Presidency, but I am, on the contrary, of opinion that it will relieve Treasury Officers of some, and the General Treasury of considerable, labor incident to issuing and honoring such drafts, which in a year amount to about 600 in number.

The change will, however, induce considerable labor in my office, if it is expected that a detailed list of receipts and charges is to be prepared monthly here and transmitted to you. It will require the whole attention of an individual to perform this duty properly, and I do not think a sufficiently intelligent person can be procured under 25 or 30 Rupees a month.

On your advising me of the decision of the Managers, I will issue necessary instructions to the several officers in charge of Public Treasuries in the North-Western Provinces to discontinue the practice of remitting the accruing subscription.

You are of course aware that the charge however advantageous in other respects will induce delay in your being made acquainted with the amounts credited in the public accounts as the latter are more or less always two months in arrears, and that in consequence a return such as you require cannot be rendered with any attention to accuracy under clear three months, that is, the statements for May could not be expected before August following.

Letter to the Accountant-General, Bengal, dated the 3rd April 1843.

In continuation of my letter of the 15th February last, and in reference to the conclusion of your communication, dated 22nd idem, I am directed by the Managers of the Bengal Civil Fund to acquaint you that the Agra Accountant concurs in the proposed change in the method of realizing the subscriptions belonging to the Fund, considering the arrangement not only an improvement, but adding " that it will relieve Treasury Officers of some, and the General Treasury of considerable, labor. " The Managers beg that you will proceed as you intimated to issue the necessary instructions to the several officers in charge of Public Treasuries on the subject so as to ensure the commencement of the plan from the 1st May next.

Letter to the Accountant-General, N.-W. P., dated the 3rd April 1843.

I have the honor to acknowledge the receipt of your letter of the 20th ultimo, which has been

laid before the Managers. They are pleased to oberve that you entirely concur in the proposed change in the method of realizing the subscriptions of this Fund, as not only an improvement, but as it will relieve Treasury Officers of some and the General Treasury of considerable labor. They have accordingly requested the Accountant-General to carry out the plan from the 1st May next, and they request that you will also be so good as to issue simultaneous instructions to the officers in charge of Public Treasuries in the N.-W. Provinces on the subject.

In reference to your 2nd para. I am desired to forward a specimen of the statement which would suit the purposes of the Fund.

It is not necessary to give a further detail than the name, period, and amount of subscription, distinguishing extraordinary from ordinary as in the specimen. This was prepared in my Office from the last May Lower Treasury Accounts. It is but a transcript of the Collector's entries in their accounts, and took only part of a day in preparing. The Managers, therefore, hope that you will be able to favor them with such statements gratuitously as you have been so good as to afford all along to the Civil Annuity Fund. They confidently expect that a trial of a month or two will prove that the labor is easier than at first sight appears. Perhaps, the same writer who copies from the Collector's accounts the entries under the Annuity head might also copy the entries under Civil Fund, taking for his guide, if you please, the specimen enclosed. If these suggestions should be found impracticable, perhaps you will then kindly authorize some one of the writers in your Revenue Department to prepare in his leisure hours the requisite statements for a small remuneration. This the Managers would beg to leave to your own discretion. Original audit statements of enlarged and somewhat complex nature, which we receive monthly from the Agra Auditor, the Fund pays Rupees 16.

The Managers have also hopes that after a time monthly statements in question might be furnishable in less than three months. At least, that the statement for the last month of the year—April—might be received by them before the end of July following, as on or about the last day of July the Rules require that the annual accounts closed to April should be laid before a General Meeting of Subscribers.

Letter from the Accountant-General, North-Western Provinces, dated the 6th April 1843.

With reference to your letters of the 8th ultimo and 3rd instant, I have the honor to annex, for the information of the Managers of the Civil Fund, copy of a circular which I have this day issued to all officers in charge of Revenue, Political, and Customs Treasuries in the North-Western Provinces under the control of this office.

I am averse to the practice of giving additional remuneration to Assistants already fully employed for undertaking extra labor, as it generally leads to carelessness, if not arrears, and, therefore, proposed the entertainment of a person exclusively for this duty; and it was my intention, had the Managers sanctioned monthly a charge of Rupees 30, to have entrusted the same person with preparation of the Annuity Fund statements now prepared by an Assistant who has the preparation of various other statements. But as the Managers of the Civil Fund are not disposed to incur this expenditure, I propose incurring an expense of Rs. 15 only per mensem or the return required by you sharing that amount between the preparer and copyist thereof.

You state that the specimen statement forwarded by you was prepared in part of a day by one of your Assistants, I own that it must have been done with comparative ease, as all the accounts of a month long past were at hand; but when the entries have to be made from current accounts as they arrive and undergo the examination, and while the accounts are as urgently wanted by other Assistants who have the preparation of Check, Register of Remittances of Statements for the Presidencies, &c., and afterwards to be classed in the alphabetical orders of districts, and fair copied and examined, the labor, it will be perceived, will be greatly enhanced and require much time.

Extract from the Proceedings of the half-yearly General Meeting of Subscribers to the Civil Fund, dated 29th July 1843.

The Secretary reports to the meeting the Proceedings of the Managers in respect to a change in the plan of realizing the subscriptions paid towards the Fund, and of investing its monthly balances. At the General Meeting of Subscribers held on the 31st July 1841, it was reported that the Managers had in the preceding year proposed to the Government the substitution instead of the remittances by drafts of all subscriptions paid in the interior, of a general system of credits from monthly audit statements to be prepared by the Civil Auditors of all *deductions of subscription* made by them from the salary bills of Subscribers. But this suggestion was referred to the Honorable Court, who do not appear to have yet decided upon it; accordingly the only other better system of Account than the old system now presenting itself is that which the Managers have adopted in conjunction with the Accountant-General and the Accountant, N. W. P., from the 1st of May last. The subscriptions paid into Collectors' and other Treasuries in the interior are no longer required to be remitted to the Treasurer, but a general monthly statement of all subscriptions brought monthly to credit in the various treasuries throughout India * is to be submitted to the Accountant-General, who, attesting the same and deducting the month's charges against the Fund, sanctions the net amount as a credit, with accruing interest from the first of the month. This plan will greatly simplify the process of account and save some trouble to the Sub-Treasurer, to Collectors, and to other Public Officers, it is expected also to benefit the Fund in a more regular investment of its balances which may thence yield a better return of interest.

Transactions between the Sub-Treasurer and Civil Fund.

The Sub-Treasurer furnishes the Fund monthly with a detailed statement of receipts and charges on account of the Fund. Sometimes there is correspondence with him in respect to items of said account, or sum of money paid or payable by Subscribers, or their Agents, or refundable to them. The quarterly pensions of Incumbents resident in India are paid by the Sub-Treasurer either on bills audited by the Secretary, or on letters from the Secretary, requesting drafts or "transfer receipts" for remittance and the account to Incumbents in country stations. The quarterly pensions of Incumbents resident in England are paid by advances to Messrs. Coutts & Co., by the India Officers whose advances are repaid by the Fund through the Sub-Treasurer, thus: Coutt's

* For the N. W. Provinces the (Accountant at Agra will furnish the requisite statements; for the Lower Provinces) Statements will be prepared from the accounts received in the Revenue and other Departments.

receipt on bill is presented by the Treasurer, and audited by the Secretary, and on or before the due date the Secretary obtains from the Treasurer, Treasury Notes of a sufficient amount to meet the portion of the bill charged, and having obtained the endorsement of the Managers on the notes, the notes are handed to the Treasurer to realize and pay out of the amount so realized, and if any balance of the proceeds of the notes is left to re-invest the same in a new Treasury Note.

The invested deposits of the Fund which are in the hands of the Sub-Treasurer consist of Treasury Notes, bearing interest at 4 per cent., and an additional 4 per cent. which is the equivalent of donation allowed by the Government to the Fund; Treasury Notes form the "ordinary" funds, investments of which are authorized half-yearly by the Accountant-General.

Memorandum regarding the Claim of the Family of the late Mr. J. B. Thornhill, on the Civil Fund, dated 30th January 1845.

11th May 1835.—The Secretary to the Fund answers a letter from Mr. Thornhill thus—"You are admitted a Subscriber to the Civil Fund. I shall feel obliged if you will put your signature in the accompanying Book."

9th June 1836.—Mr. Thornhill intending to resign the Service, forwards from Macao Sa. Rs. 5000 under Rule 35, that his family may benefit by the Fund at his decease.

11th June 1836.—For fear of any objections, he offers two days afterwards, Sa. Rs. 10,000.

27th August 1836.—The Secretary answers Mr. Thornhill "Your election to the retiring pension "allowed by the Court to its late China Servants, "places you out of the pale of the Bengal Service, "and as such your present retirement entitles you "only to be placed on the same footing as if you had "never been admitted to the Fund. The Managers "will therefore refund the amount of your subscrip-"tions on application."

Mr. Thornhill did not retire however, but continued a Member of the Bengal Civil Service and a Subscriber to the Fund.

29th January 1838.—The General Meeting of this day "Resolved unanimously, that the Rules of the Fund prepared by the Managers and laid before this Meeting, in conformity with the Resolution passed at the Meeting of the 25th November last, be adopted from the 1st of January 1838, subject to the approval of the Hon'ble the Court of Directors."

Amongst these Rules appeared for the first time Rule 37, which requires from those who may become Members of the Service under certain circumstances, the payment of an entrance subscription before they can be admitted as Subscribers to the Fund.

April 1844.—Mr. Thornhill dies, and the Managers of the Fund refuse to admit his family to the benefits of the Institution, except on payment of an entrance subscription under Rule 37,—although Mr. Thornhill was actually admitted as a Subscriber to the Fund more than two years and a half before the Rule was adopted,—and although no demand of entrance subscription was ever preferred against him during his life.

Extract from the Proceedings of a half-yearly General Meeting of 30th January 1845.

6th.—Proposed by Mr. Lowis, seconded by Mr. Beadon that the effect of Rule 37 being obviously prospective, and the China Servants having been admitted unconditionally into the Fund, they cannot now be subjected to any retrospective adjustment of accounts, and that therefore those gentlemen be now held as entitled to the full benefits of the Fund without being compelled to make good any payment to it beyond the full amount of their monthly subscriptions reckoned from the date of their entrance into the service, and that the case of Mr. Thornhill be dealt with on the same principle.

For the above motion present	... ...	11
Against do.	... ...	2
Majority for	... ...	9

Carried under Rule 12

Letter from the Secretary to the Government of Bengal, to the Managers of the Civil Fund, dated 27th May 1840.

I am directed to acknowledge the receipt of your letter, dated 15th instant, and in reply to acquaint you that the Right Hon'ble the Governor-General in Council, on a re-consideration of your application, is still of opinion that it will be proper to wait for the sanction of the Hon'ble the Court of Directors, to whom it has been referred by the overland Mail, before authorising any change, either in the mode by which Remittances are made to the Fund from the Mofussil Treasuries, or by crediting the Fund with anticipated interest in the manner and after the precedents explained in your letter.

7th August 1845.—The history of the donation is as follows:—

At a Meeting held 8th September 1808, a Despatch from the Court, dated 26th February 1808, was read:—

Para. 20.—"In considering the support to be given by the Company to this Institution, we must pay regard to the extent of its objects. Whilst the Madras Fund was directed to the relief of such distress and indigence as are now the objects of the Bengal Fund, our annual contribution to it was £1,480; when its plan was enlarged to comprehend all Subscribers retiring from the Service, we made a considerable addition to that allowance. At present, we think, it will be sufficient, if we appropriate the sum of £2,500 annually to the Bengal Civil Fund, and such appropriation we hereby direct you to make. If the Fund is made a general one to take in all retiring Subscribers, we shall make such further addition to this grant as the Articles of the new plan and the state of the Company's affairs at the time shall appear to render proper.

21.—"The patronage of the Institution we, at the desire of the Managers, accept.

"Agreed that an application be made to Government for the contribution granted to the Fund by the Honorable the Court of Directors from the 1st of January 1804, being the date of the commencement of the subscriptions."

And in their letter to Government the Managers claimed donation for four years, from the 1st January 1804 to 31st December 1807, £10,000, or Sicca Rupees 97,672-6-0, *i. e.*, at the annual sum of £2,500, equal to Sicca Rs. 24,418-1-6. The rate of exchange taken appears to have been at 1*s.* 9*d.* $\frac{1}{111}$ decimal parts of a farthing per current Rupee.* The first payment of donation appears in the Fund Accounts of 1809 Sicca Rs. 24,418-1-6, and so on every year till 1823, *i. e.*, for 14 years, as from 1808 to 1821, inclusive (Accounts in Proceedings, book and letter to Government, 29th April 1822). The payments began to be made in England in 1823 as for the year 1822, and have continued to be paid yearly at £2,500. Regarding the change of payment from India to England, a para. of a letter to the Agents, dated 18th January 1822, says—"I have now the pleasure to enclose you the first of a set of bills for £1,044-15-0, and to inform you that it is the Managers' intention to apply to the Honorable Court of Directors for the

---

* Letter to Secretary, Bombay Civil Fund, dated 7th March 1809:—"I have the pleasure to acquaint you, for the information of the Trustees, that the annual donation granted to the Bengal Civil Fund is converted into Bengal Currency at the same exchange as the salaries of the Governor and Judges of the Supreme Court, which are fixed by Act of Parliament in £ Sterling, *viz.*, 1*s.* 9*d.* $\frac{1}{111}$ decimal parts of a farthing per current rupee."

payment to you of their donation of £2,500 per annum to the Institution." And in the letter to Government, dated 22nd August 1822, the Managers said—"Existing circumstances rendering it extremely desirable that the annual donation of £2,500, which the Honorable Court of Directors have been pleased to assign in support of the Civil Fund, should be for the future paid to our Agents in England; we are induced to solicit the favorable recommendation of His Excellency the Most Noble the Governor-General in Council to the Honorable Court that such payment may be made in England, commencing with the current year's donation becoming due the 1st of January 1823."

Under these circumstances, seeing that the payment originally was made by the Government under instructions from the Court in India at Sicca Rs. 24,418-1-6,* or Company's Rs. 26,045-15-6, the Secretary submits that it would be a legitimate task to point out to the Honorable Court the greater advantage it would be to the Fund, if the annual donation were now paid in India, as originally, or as to the Madras and Bombay Funds, at 1*s.* 11*d.* per Rupee; and he thinks there can be no doubt that the Court would willingly comply with the request.

Note of majority of Managers.

I am content to leave the matter as it is.

Letter from the Honorary Secretary, to the Secretary to the Government of India, Financial Department, dated Civil Fund Office, 29th August 1845.

I am directed by the Managers of the Bengal Civil Fund to request that you will be good enough to submit the accompanying statement to the Right Honorable the Governor-General in Council for his consideration and orders.

2. The Statement exhibits certain sums which have been charged against the Fund as interest upon the amount of Bills of Exchange taken by the Honorable Court of Directors from the Agents of the Fund at London, in satisfaction of advances made by the Court towards the pensions issued by the Fund, and discharged by the Managers here. The charge of interest appears to be erroneous, both from the tenor of the bills and from the Rule laid down by the Court in their despatch on this subject, dated 4th July 1832.

3. The bills appear to have been drawn out according to the form prescribed by the Honorable Court, and are made payable "at 12 months after date." A copy of a bill paid last June is entered in the margin; it simply requires that the equivalent of £11,700 advanced by the Court should be repaid at a given date by the Managers of the Fund to the Government of India. The equivalent is thereby rated at 1*s.* 11*d.* per Sicca Rupee; and the difference between that rate and a former rate of 2*s.* 1*d.* per Sicca Rupee being allowed to the Fund as the Honorable Company's donation, the amount payable by the Managers would, therefore, be Company's Rupees 1,19,808; but it will be seen from the Statement enclosed that they had further to pay an interest for the 12 months before the 'maturity' of the bill of Rs. 4,792-5-1. In the same manner the Fund has been overcharged upon 20 other bills, and has, therefore, overpaid an aggregate sum of Company's Rs. 89,523-11-2.

---

* Sicca Rs. 24,418-1-6, or Co.'s ...	Rs.	26,045	15	6
Interest, at 8 per cent. per annum	,,	2,083	10	10
Credit	,,	28,129	10	4
Charge back	,,	26,624	0	0
Saving to the Fund ...	Rs.	1,505	10	4

4. It seems opposed to the nature of a Bill of Exchange to charge interest upon its value before the due date, unless it be so conditioned on the face of the bill. It is probable that the charge in the above instances arose from a condition of interest having been once attached to three bills for special advances made by the Honorable Court before the privilege of drawing by bills was regularly accorded to this Fund. Those three bills were drawn at *sight*, and expressed the condition of *interest*, but the continuance of the charge upon the subsequent bills seems inconsistent with the extension of the period on the new bills, and the omission of the interest condition.

5. In the despatch referred to the Honorable Court had under consideration the aids, by donation, interest, and a favorable rate of exchange, which they afforded or intended to afford to the several Funds. It was remarked by the Court that the Madras and Bombay Civil Funds both enjoyed a larger share of the Court's liberality than the Bengal Fund. "The advances on account of the Madras and Bombay Funds are made at 2*s.* 3*d.* the rupee, or, deducting interest, 2*s.* 2*d.*·325, but as the intrinsic value of these Rupees is less than the Sicca by 1*d.*·526, it follows that the advances to those Funds at 2*s.* 3*d.* the Rupee are more favorable than the advances made to the Bengal Funds." But the rate of 2*s.* 1*d.* fixed for this Fund is *reduced*, by the charge of interest, to about 1*s.* 11¾*d.*, which is not only a greater disadvantage contrasted with the other Funds than the Honorable Court anticipated, but seems opposed to the spirit of their instructions contained in the concluding paragraph of the despatch dated 4th July 1832, namely :—

"For the present we have resolved that, from and after the date of this despatch, the sums required in England for the use of the several Funds shall be advanced, re-payable in India at 12 months' date at 1*s.* 1*d.* the Sicca Rupee, that being full as high as could be realized by a consignment of bullion, and we desire that the difference between the number of Rupees reimbursed to you under this arrangement, and that which would have been reimbursed if the present rates of exchange had continued to be observed, be annually credited to the Funds as a further donation from the Company."

6. Under these circumstances, the Managers have determined to lay the matter through you before the Government, with their respectful request, that the Right Hon'ble the Governor-General in Council will sanction the re-credit to the Bengal Civil Fund of the sums stated in the accompanying statement.

NOTE.—The above was not forwarded, three ex-officio Managers being against, and one for one elected Manager against.

Explanation by Honorary Secretary to the Civil Fund, in reply to remarks of Mr. Dorin, one of the Managers, as to the mode adopted for remittances to the Agents prior to 1831.

As requested by Mr. Manager Dorin, the Honorary Secretary begs to explain that before 1831 the Managers used to remit money from this country, to put the Agents in funds, by merchant's and other bills. A change took place in 1831-32, when the Agents were allowed by the Court to receive sums from their Treasury by giving bills on the Managers drawn *at sight, and expressing the condition of interest* from date of bill to date of payment. Three bills only were so drawn; the mode in regard to the first will explain all three, it was thus:—"10th June 1831—Cash received from the

East India Company for our bill on the President and Managers of the Fund, to the order of the Governor-General, payable at sight at 2*s.* 1*d.* per Sicca Rupee, with interest from this date to day of payment at 4 per cent., £9,000." This was paid in India on

	Sa. Rs.	A.	P.
7th January 1832, amount of bill £9,000, at 2*s.* 1*d.* ...	86,400	0	0
Interest at 4 per cent., from 10th June 1831 to 7th January 1832 ...	1,996	12	10
	88,396	12	10

On the 4th July 1832, the Court proposed their new general plan, between which and that above figured is the remarkable difference, that the new bills were *not* drawn *at sight and with interest,* but simply at 12 months' date. The first bill drawn under the arrangement of July 1832 is thus entered: "9th November 1832—Cash received from the East India Company for our bill on the President and Managers of the Fund, to the order of the Governor-General in Council, payable at 12 months' date at the exchange of 1*s.* 11*d.* per Sicca Rupee, £9,450." Instead of being paid according to the tenor of the bill itself, it seems by an oversight, in following the old method, to have been discharged thus:—

	£	*s.*	*d.*
Paid in India 23rd November 1833, at 1*s.* 11*d.* per Sicca Rupee ...	98,608	11	1
Interest at 4 per cent. from 9th Nov. 1832 to 23rd Nov. 1833	4,064	13	6
	1,02,673	8	7
DEDUCT—			
Difference of Exchange between 2*s.* 1*d.* and 1*s.* 11*d.* = ...7,888 11 1			
Interest thereon at 4 per cent. as above ... 325 2 11			
	8,213	14	0
	94,459	10	7

So far the result was made to be the same as formerly in *discharging* the bill. Yet, the general result was not the same, but was more in favor of the Fund. Because the bill being made at 12 months' date, and the Funds accruing at 8 per cent., the Institution gained 4 per cent. for a whole year (instead of only for between five and six months) upon every bill. And if the Honorable Court intended to give this advantage, the Secretary thought it was not unlikely that they intended the other advantage also. If the purposed mention of 12 months in the new bills gave one advantage, it seems a fair conclusion to say that the purposed omission in the bills of the requirement of interest should have given the advantage of no interest charge.

As the Court meant the grant of 'difference of Exchange' to be an act of liberality, all the incidents connected therewith should have been taken to be of the same nature.

NOTE.—The interest put so is the same as charging interest on the net sum of bill, *i.e.*, on bill 2*s.* 1*d.*

To the Honorable the Court of Directors of the East India Company, the Memorial of 73 Subscribers to the Bengal Civil Fund, dated

SHEWETH,—That your Memorialists are Subscribers, in common with all your Bengal Civil Servants, to a Fund called "the Bengal Civil Fund," established for the maintenance of the widows and children of such of the Subscribers as may not at their

deaths leave property sufficient for the subsistence and education of their families.

This Fund has certain Rules which have been adopted by the Subscribers at large.

Nine Subscribers, called Managers, are entrusted by the rest with the duty of carrying out the Rules.

General Meetings of the Subscribers are held at the Presidency twice a year (Rule X.,) on which occasions the Managers submit to the Meeting any applications they may have received for admission to the benefits of the Fund; and if such applications come within the Rules, the Managers propose that the parties applying be admitted, and a Resolution to this effect is carried accordingly. The Managers then communicate through their Secretary with the Agents of the Fund, and direct them to pay to the parties admitted the Pensions to which by the Rules they are entitled.

Resolutions of General Meetings on cases provided for by the Rules are final and conclusive, if not reversed within four months (Rule XIV.); but Resolutions on any new proposition, or involving any alteration of the Rules, require to be confirmed by the Subscribers at large, whose votes the Managers are bound to take (Rule XIII.); and, moreover, such Resolutions cannot be proposed at a Meeting without notice being given of them beforehand in the Gazette and in two newspapers (Rule XIII.)

At a General Meeting held on the 31st July 1846, at which, besides the Managers and their Secretary, only three other Subscribers were present, the Managers proposed and carried the following Resolution:—

"Mrs. Caroline Stainforth, widow, and five chil-
"dren of Frederick Stainforth, deceased at Calcutta
"on the 25th September 1845. The Meeting ad-
"verting to the Statement in Mrs. Stainforth's
"affidavit regarding two of the children who are
"by a former wife, and on whom a separate settle-
"ment has been made, consider that the whole of
"the private income available to the entire family
"left by the deceased Subscriber should be reckoned
"upon, and the regulated allowances granted
"as for one family in the same manner as the cal-
"culation would have been made if there had not
"been a sufficient income left to the children by
"the first marriage, and they had claimed propor-
"tionate allowances from the Fund. The widow
"and five children are accordingly admitted from
"the 25th of September 1845."

This Resolution (which was not published, as required by Rule XII., for the information of the Subscribers until the complaints of the friends of the family immediately concerned elicited a Circular from the Managers) involves a most important alteration in the Rules of the Fund, inasmuch as it declares in effect that a marriage settlement made by a Subscriber on a first wife and her children is to be taken into account as property belonging to the Subscriber at his death, and thus set against the claim of a second wife and her children. A proposition to this very effect was brought forward by a Subscriber in 1837, at the time the Rules were revised, and being submitted for the votes of the Subscribers at large, was rejected by them; the Committee* of Managers giving reasons, which were published to the Subscribers at the time, why it should be rejected, as having in their opinion a tendency to restrict marriage settlements, which settlements the Committee considered "rather a benefit than an injury to this Fund."

---

* Consisting of Mr. H. T. Prinsep, Mr. F. Mullett, Mr. J. P. Grant, and Mr. H. Torrens.

Notwithstanding this circumstance, the Resolution of July last was proposed at the Meeting without the previous notice being given as required by the Rules; and the Managers having carried it, did not publish it for the information of the Subscribers till after the four months had elapsed, within which, had it been (as they say) a resolution under Rule XIV., it might, under that Rule, have been reversed; they have since replied to your Memorialists' protests, by refusing to submit it for the votes of the Subscribers at large, declaring that the four months having elapsed the decision "has become final and conclusive, and is no longer open to revision."

Your Honorable Court will observe that the question at issue is, whether, under the existing Rules, settlements made at a first marriage are to be taken into account against the claim of a second wife and family; for, if the Rules declare the affirmative of this question, then the Resolution of July last *was* a Resolution under Rule XIV., requiring no previous notice, and becoming final after four months; your Memorialists assert that the Rules do *not* declare the affirmative of this question; and they appeal for proof to the Rules themselves, and to the indisputable fact that the Subscribers at large decided the question in the *negative* in 1837, and that they did so on the recommendation of the framers of the Rules. It is also worthy of remark, that the Managers' Circular issued in justification of their Proceedings contains no mention whatever of any particular Rule as supporting the decision, a fact which is strong presumptive evidence of the non-existence of any such Rule.

Your Memorialists under these circumstances most respectfully entreat your Honorable Court's interference in the matter. It is not by any defect in the Rules that they provide your Memorialists with no remedy against these unauthorized proceedings, it is from the nature of the case; the Managers whose business it is to carry out the Rules having in this instance infringed them. Your Memorialists affirm that the determination of the Managers to give effect to the Resolution without submitting it for the votes of the Subscribers, leaves them without a remedy under the Rules, and constrains them to make this appeal to your Honorable Court, or to have recourse to a suit at law. To the latter proceeding there would, they believe, be great, perhaps insuperable, obstacles; but had this been otherwise; they should still have considered it right to appeal in the first instance to your Honorable Court, whose servants the Managers are, who are the patrons of the Fund, aiding it by a munificent donation, and under whose orders it is that your Memorialists subscribe to it. They, therefore, venture humbly to beg of your Honorable Court to direct an enquiry into the truth of the facts here stated, and to interpose your authority to cause the wrong which they complain of to be redressed;—a wrong by which not only is the family of a deceased Subscriber deprived of the allowance to which it is entitled, but the families of some of your Memorialists are deprived of all claim whatever upon the Fund, though they may be left in circumstances requiring relief, and though your Memorialists will have subscribed to the last day of their lives, on an implied contract that relief would be afforded.

Your Memorialists beg to submit certain papers* in confirmation of the accuracy of what they have

* *Viz.*, a copy of the Rules of the Fund and of an extract from the printed Report of the Committee of Managers in 1837, and also an extract from the Government Gazette of August 5. 1846, showing that the Resolution was not published with the other Proceedings of the Meeting of the 31st of July.

stated, together with the printed Circular issued by the Managers on the subject, and a correspondence with the Secretary of the Fund; also a minute by a Manager who is opposed to the majority.

Letter from the Secretary to the Government of India, to the Managers of the Bengal Civil Fund, dated 5th November 1847.

With advertence to the Memorial addressed to the Honorable the Court of Directors by Mr. J. Thornton and other Members of the Bengal Civil Fund, complaining of the Proceedings of the Managers of the Fund in the case of the widow and family of the late Mr. Frederick Stainforth, I am directed by the Honorable the Deputy-Governor of Bengal to forward for your information and guidance the accompanying copy of a despatch from the Honorable the Court of Directors, No. 21, dated the 22nd September last, and to request that the course therein suggested may be adopted in accordance with the directions of the Honorable Court.

Despatch from the Honorable Court of Directors, to the Governor of the Presidency of Fort William in Bengal, No. 21, dated 22nd September 1847.

Para. 1st. With your letter in the Home Department, dated 9th June 1847, No. 25, you forwarded a Memorial to us from Mr. J. Thornton and other Members of the Bengal Civil Fund, complaining of the Proceedings of the Managers of the Fund in the case of the widow and family of the late Mr. Frederick Stainforth.

2nd. It appears that Mr. Stainforth died at Calcutta, 25th September 1845, leaving a widow and five children, two of whom are by a former wife, and are provided for under a separate Settlement made by Mr. Stainforth on his first marriage.

3rd. The Managers of the Fund, in submitting the case of Mr. Stainforth and her family to the Half-yearly General Meeting held on 31st July 1846, considered "that the whole of the private income available to the entire family left by the deceased Subscriber should be reckoned upon, and the regulated allowances granted as for one family, in the same manner as the calculation would have been made if there had not been a sufficient income left to the children by the first marriage and they had claimed proportionate allowances from the Fund." A Resolution was proposed accordingly by the Managers, and adopted by the Meeting, which appears to have consisted of only nine Subscribers, including the Managers and Secretary.

4th. Under the above decision, the widow and five children of Mr. Stainforth were granted £219-3-0 per annum from the Fund.*

5th. Had the General Meeting excluded the two children by Mr. Stainforth's first marriage who were already provided for, the grant to the widow and her three children would have been £324 per Annum.†

---

* Allowance to Mrs. Stainforth,				£400	0	0
Ditto for her 3 children,				120	0	0
Ditto to 2 children by the first marriage,				180	0	0
				£700	0	0
Less Income by first Settlement	£284	17	0			
Ditto 2nd Settlement,	196	0	0	480	17	0
				£219	3	0

† From the Fund—Pension to Mrs. Stainforth,	£400	0	0
Ditto to her 3 children,	120	0	0
	£520	0	0
Less Mrs. Stainforth's private income	196	0	0
	£324	0	0

6th. Mrs. Stainforth's income is, therefore, affected to the extent of the difference, viz., £104-17- per annum, by placing the children of her husband by a former wife upon the Fund, as she appears to have no control over them, nor to participate in the provision made by the marriage Settlement for their support.

7th. Such being the general state of the case, the question for our consideration is, whether the Proceedings of the Managers of the Fund which led to the above decision, were in accordance with the rules. The memorial which you have transmitted to us upon the subject, and which is signed by 73 Members, affirms that the Rules of the Fund have been infringed in Mrs. Stainforth's case, and calls for the interposition of our authority in the matter.

8th. We are not aware whether any case similar to Mrs. Stainforth's had previously been decided upon or not. If the case is not provided for under the 24th Rule, or any other regulations of the Fund, we think the Managers ought to have given public notice, under Article XIII. of those Rules, that her case would be submitted for the consideration of a General Meeting.

9th. It would also appear from the Memorial that the Resolution passed at the half-yearly General Meeting on the 31st July 1846, in Mrs. Stainforth's case, was not published for the information of the Subscribers as required by Article XII. of the Rules, until the period had elapsed within which it might have been reversed by a subsequent Meeting.

10th. We are of opinion that the proceedings of the Managers of the Fund, in the case of Mrs. Stainforth and her family, have been irregular, and that the question is one which the Subscribers at large should have the opportunity of considering.

11th. You will, therefore, call upon the Managers of the Fund to adopt this course in accordance with the provision contained in Section 5 of Article XXXVII. of the Rules.

Letter from the Honorary Secretary to the Civil Fund, to the Secretary to the Government of India, Financial Department, dated 4th April 1848.

I am directed by the Managers of the Bengal Civil Fund to submit, for the information of the Government and of the Honorable Court of Directors, the result of the reference made to the Subcribers to the Fund at large, on the case of the family of the late Mr. Frederick Stainforth, as suggested in the Honorable Court's Despatch No. 21 of 1847, dated 22nd September 1847, forwarded with your letter of the 5th November last.

Enclosed is a printed copy of the Circular issued in January last, and a copy of the notification dated the 31st ultimo.*

---

* NOTICE *issued by the Honorary Secretary by the order of the Managers, dated 31st March* 1848. The Managers beg to notify the result of the votes received on the case of the late Mr. Frederick Stainforth's family, submitted in appeal to the Subscribers in Circular dated January 1848, on the question "whether the case of Mr. Stainforth's family is provided for under the second Clause of Article XXVI. of the Rules or not."

The votes in the *affirmative* are	...	102
Ditto in the *negative*.	... ...	66

Accordingly, "the majority of the Subscribers at large" who have voted on the question, having declared in the affirmative, "the Resolution of the General Meeting of the 31st July 1846, is confirmed, and the case finally disposed of."

Letter from the Secretary to the Government of India, to the Managers of the Bengal Civil Fund, dated 19th January 1849.

I am directed by the Hon'ble the Deputy Governor of Bengal to transmit for your information the accompanying copy of a despatch No. 41 of 1848, dated the 6th December, from the Honorable the Court of Directors, communicating their remarks and observations on your report of the result of a reference to the Subscribers of the Civil Fund on the case of the widow and children of the late Mr. F. Stainforth, and conveying their opinion that the subject of the proceedings of the Managers on the case adverted to should be re-considered, and that due notice should be given for that purpose to the Service, pursuant to Article 13 of the Rules of the Fund.

2nd. The copy of the Memorial of Mr. Colin Lindsay, and its accompaniments, received with the Honorable Court's despatch abovementioned, are also herewith forwarded, with the request that you will, in pursuance of the instructions of the Honorable Court, circulate these documents for the information of the Service at large, prior to their votes being taken on the case in question.

Despatch from the Honorable Court of Directors No. 41, dated the 6th December 1848.

1. Having given our best consideration to those Proceedings, we are of opinion that the decision of the Civil Service as it now stands would be fatal to the grant of any support whatever from the Civil Fund to the widow and children of the late Mr. F. Stainforth. This is contrary to the intention of the Managers of the Fund. If it be maintained that the 2nd Clause of the 26th Article of the Rules is applicable to the case in question, it is clearly laid down in the latter part of that Clause that a complete forfeiture of claim results from the decision passed by the Service. The declaration of the Managers of the Fund that this decision is affirmative of the Resolution passed on the 31st July 1846, which admitted a part of the claims of Mr. Stainforth and family, is therefore erroneous.

2. The question appears to us to be one of great importance to the Civil Service, and we doubt whether it was generally understood by the parties who voted on it.

3. Under these circumstances we are of opinion that the subject should be re-considered, and that due notice should be given for that purpose to the Service, pursuant to Article 13 of the Rules of the Fund.

4. The Proceedings in Mr. Stainforth's case having excited the attention of Mr. Colin Lindsay, late of your Civil Service, we transmit in the Packet copy of his Memorial to us upon the subject, together with its accompaniments which you will desire the Managers of the Fund to circulate for the information of the Service at large, prior to their votes being taken on the case in question.

To the Honorable the Court of Directors of the East India Company. The Memorial of Colin Lindsay, Esq., late Judge of Delhi, and a Civil Servant on the Bengal Establishment.

SHEWETH,—That your Memorialist, with seventy-three other Bengal Civil Servants, memorialized your Honorable Court in 1847, complaining of the proceedings of the Managers of the Civil Fund in the case of the widow and family of the late Mr. Stainforth.

In reply to which Memorial your Honorable Court, in a despatch to the Government of India, dated 22nd September 1847, decided that the proceedings of the Managers had been irregular, and

the Government of India were desired to call on the Managers to adopt "a course in accordance with provisions contained in Section 5, Article 37 of the Rules."

Your Memorialist submits that the *only* mode of bringing forward such cases for the decision of the Subscribers to the Civil Fund is laid down in Article 13 of those Rules, in total disregard of which, and in opposition to the orders of your Honorable Court in the Despatch above alluded to, the Managers of the Civil Fund, in their Circular to the Civil Service, dated Jan. 1848, merely reiterated their opinion that the case of the late Mr. Stainforth's family was clearly provided for under the 2nd Clause of Article 26 of the Rules; and called on the Subscribers for their votes on the question.

The Service have, in an informal manner, by a majority of 112 to 64, in April 1848, decided the question put by the Managers in the affirmative, so far as it is in their power to do so, and the Managers have declared the question finally disposed of: thus attempting to establish a wrongful and injurious precedent, which might, if not reversed, exclude the wife and children of your Memorialist from the benefits of the Civil Fund, although he has paid the full sum of 25,000 Rupees up to the period of retiring from the Service to *entitle* him to retain his contingent interest therein.

Your Memorialist affirms,

1*st*.—That previous to the year 1837, under the Old Rules, a Marriage settlement on a first wife and family did not exclude from the benefits of the Civil Fund (either wholly or in part) the wife and children by a second marriage, left unprovided for or only partially provided for, by a deceased Subscriber. Your Memorialist, in support of his position, refers generally to the Rules; and particularly to a precedent in point, namely, that of the widow and family of the late Honorable John Fendall, who were after his death in 1834 (being only partially provided for) admitted to the benefits of the Fund, although that gentleman left an amount of his property to his first family,* which would have totally excluded his widow and her children by the second marriage, had the Rules of the Fund obtained the construction which the Managers now seek to put upon them.

Your Memorialist affirms,

2*ndly*.—That the Service did unanimously, on the 29th of January 1838, when passing the *new* Rules, *reject* a proposition which would have had the effect (had it been carried) of rendering settlements made on a first marriage available, and to be

---

* MEMORANDUM.

The facts of the case appear to be as follow:

John Fendall, Member of Council, died apparently on 10th November, 1825.

In the Proceedings' Book, under the head of Quarterly Meeting of Subscribers held 27th October 1834, there are noted as present the names of *three* Subscribers, and the entry is—"read the following letter from Mrs. Fendall." In this letter Mrs. F. states that since 1832 her private income had become reduced (to about £497 yearly from Government Securities noted), and claiming the "difference" (to make up £600) for her two children.

No Copy of 'Will,' nor of 'Settlement,' nor account of deceased's 'Estate,' nor widow's 'Affidavit,' appears to have been furnished.

No order is entered, nor could be given by that Meeting.

Yet a letter, dated the same day, was addressed by the Secretary to the London Agents, informing them that "Mrs. Fendall and her two children have been admitted to the benefits of the Fund," and authorizing payments, on the mere income-declaration being furnished, as from 1st January 1832, which Pension continued to the end of 1842.

The family had therefore in fact never been regularly admitted under the Rules.

Civil Fund Office, 8th February 1849.

taken into account against the claim of a second wife and her family. These new Rules (with the rejected proposition struck out) received the sanction of your Honorable Court, are now in force, and your Memorialist believes cannot be altered, except with the sanction of your Honorable Court.

Your Memorialist, deeply affected by the injurious precedent thus attempted to be established, in violation of the existing Rules of the Civil Fund, deemed it advisable to solicit the opinion of Mr. Henry Thoby Prinsep, one of the Committee of three gentlemen chosen by the Service to prepare the new Rules in 1837-38. Your Memorialist has also taken the opinion of Counsel, which documents, as well as the case submitted to him, are attached to this Memorial.

Experience has shown that the cases of such claims on the Fund are few and far between, and that the number of Subscribers likely to be affected by such wrongful decision is consequently small. Your Memorialist, therefore, (after the proceedings of the Managers and Subscribers alluded to above) has no course left him to pursue, but to solicit from your Honorable Court, who are not only Patrons to the Fund, but support it by a munificent contribution, your authoritative interposition in the reversal of the late proceedings. And your Memorialist finally prays that your Honorable Court will refuse your sanction to any new Rule which may be passed *with retrospective effect*, injuriously affecting your Servants who, under existing Rules, have made Marriage Settlements which it is absolutely out of their power now legally to alter. And, as in duty bound, your Memorialist will ever pray.

Extracts from the Proceedings of General Meetings, dated 28th May and 31st July 1849.

"That the decision of the General Meeting of 31st July 1846, in the case of Mrs. Stainforth, be reversed, and that the Managers be instructed to calculate the pensions of the family prospectively and restrospectively, strictly in accordance with the Rules of the Fund, as explained in this resolution.

The result of the Managers' Circular being published, on the Proceedings of the Special General Meeting of Subscribers held on the 28th May last, it remains to state that the same has been reported for the information of the Honorable Court of Directors, and that the Agents of the Fund in London have been instructed to pay Mrs. Stainforth the full allowances which were claimed for her with retrospective effect.

Despatch from the Honorable the Court of Directors, No. 20, dated 7th June 1848.

1st. We have received a memorial from Miss Harriet Stone, daughter of the late Mr. Henry Stone, formerly of the Bengal Civil Service, on the subject of her application to the Managers of the Bengal Civil Fund for aid from that Institution towards her support.

2nd. From the documents which Miss Stone has submitted to us, copy of which she states has also been furnished to the Managers, we are at a loss to understand the grounds on which they came to a decision "that Miss Stone has no claim upon the Fund."

3rd. It appears that this decision was not adopted by the General Meeting of the Subscribers held on the 31st January last, to whom it was referred for confirmation, and that an amendment then proposed, "that Miss Stone be admitted to

whatever benefit she may be entitled to from the Fund upon a calculation of *bonâ fide* income," was also lost.

4th. As the amendment appears to us to comprehend the justice of Miss Stone's case, we are of opinion that it should be submitted by the Managers for the re-consideration of the Subscribers to the Fund. You will accordingly communicate our view of the subject to the Managers, and in the event of their not concurring therein, we desire to be informed of the grounds of their objection.

Letter from the Honorary Secretary to the Bengal Civil Fund, to the Secretary to the Government of India, 11th August 1848.

I am directed by the Managers of the Bengal Civil Fund to acknowledge the receipt of your letter of the 15th ultimo, enclosing copy of a Despatch from the Honorable Court of Directors, dated 7th June last, which was laid before the General Meeting of Subscribers held on the 31st ultimo.

In reply, I am desired to forward a copy of the Proceedings of that Meeting, and to submit the request of the Managers that the same may be transmitted for the information of the Honorable Court, also a copy of the Proceedings of the 31st July 1847 therein referred to.

The Managers fully intended in usual course to have again submitted the case of Miss Stone for the re-consideration of the Subscribers at this their half-yearly General Meeting; and Miss Stone was informed of this intention under date 7th February last.

The principle affirmed by the Meeting of accounting the whole estate of a *deceased Subscriber* as affording a private income which shall be placed as a set-off to whatever claim his family may prefer against the Fund, is no new one, but a general principle which has operated commonly and alike in cases of admitted incumbents and of such as seek admission when part of the family become or are "otherwise provided for." For instance, if none of the five children of the late Mr. Stone were "otherwise provided for," and were therefore all admitted on the Fund, and afterwards four of them were to become "otherwise provided for," the calculation of allowance would then stand exactly as stated in the Proceedings of 31st July 1847, *viz.*:

Allowance of four children of deceased Subscriber, *now otherwise provided for* ...				... *Nil.*		
Ditto to Miss Harriet Stone,				... £100	0	0
				100	0	0
Less—						
Private income from estate of deceased Subscriber, ...	96	3	2			
And from Individual Legacy left Miss Stone by a non-subscriber, ...	36	9	7			
				132	12	9
	Excess			32	12	9

Miss Stone's claim has been rejected under the first Clause of Article XXVI. of the Rules. By that Article it was incumbent upon the late Mr. Stone to dispose of his property so as to make due provision for his family at his death, and to relieve the Fund from all expense on their account. Instead of doing this he left unaltered after his failure in business the Will which he executed

many years before when in affluent circumstances; and thus four-fifths of his estate were devised away to members of his family already provided for by marriage or otherwise, while the fifth and only dependent child was left with an income less than that which the Fund would have made up, if the property of the deceased, *properly devised*, had been insufficient for the purpose. Under these circumstances it appeared to the Managers and to the General Meeting that Miss Stone's claim was inadmissible.

Despatch from the Honorable the Court of Directors, No. 8, dated 12th April 1849.

1. The case of Miss Stone, which was undecided at the half-yearly General Meetings of the Subscribers to the Bengal Civil Fund held on the 31st July 1847, and 31st January 1848, for want of a sufficient number of *present* concurrent "votes," was re-considered at the half-yearly Meeting on 31st July 1848, when it was "*Resolved* that the decision of the Managers as recorded in the Proceedings of 31st July 1847, *viz.*, that Miss Stone has no claim upon the Fund, be affirmed."

2. It appears that the decision of the Managers was founded on the first clause of Article XXVI of the Rules of the Fund, which declares it to be "the obvious duty of all persons who have families and possess property sufficient to provide for them to make a proper testamentary provision for them," and the same clause gives full power to the Subscribers of the Fund at a General Meeting duly held "to reject the application for aid from the Fund in any instance in which it may appear that a Subscriber leaving property at his death and having the power to dispose of it has made no due provision for his family."

3. The late Mr. Henry Stone, father of the applicant for relief from the Fund, appears to have made a Will in the year 1821, and left the whole of his property to his family. On the death of Mr. Stone in 1845, his property realized only £2,403, which was divided equally under the Will between his five surviving children. In addition to one-fifth of that sum Miss Stone is possessed of a legacy of £912 from her maternal grandfather. The income from both sources yields her £50-10 per annum, and her claim upon the Fund is for the difference between that sum and the usual annuity of £160.

4. The Managers of the Fund have rejected Miss Stone's claim, on the ground that it was incumbent on the part of the father to have altered his Will when his property became so reduced as not to afford a sufficient income for each of his children without assistance from the Fund; and that as four out of his five children had become "provided for by marriage, or otherwise, it was his duty to have devised his reduced property so as to have prevented the fifth child from being chargeable to the Fund."

5. We do not concur in the interpretation which the Managers of the Fund have given to the clause of the Regulations which relates to the point in question. It is not even surmised that Mr. Stone during his lifetime made any gift or settlement of his property other than that of bequeathing it to his family, which we are of opinion was consistent with the Rules of the Fund. Nor do we think that, under his altered circumstances, Mr. Stone was required by the Regulations to have made another Will before his death with a view of withdrawing the bequests which he had previously made to his children generally in order to provide against the possibility of his unmarried daughter becoming a claimant upon the Fund.

6. While we feel it to be our duty to see that justice is done not only to the Funds which have been established under the auspices of the East India Company, but also to the parties who have claims upon those Funds, we avoid as much as possible interfering with the decisions of those to whom the management is committed. The present case is, however, one in which we differ from the conclusion to which the management came; we, therefore, consider it proper that the whole body of Subscribers to the Bengal Civil Fund should have an opportunity of recording their votes on the question.

7. You will accordingly communicate with the Managers of the Fund with the view of their obtaining the votes of the Subscribers on Miss Stone's claim, which, we are of opinion, may be done under Rule 13, after due notice, and the circulation amongst the Subscribers of full information upon the case.

Extract from the Proceedings of a General Meeting of Subscribers, dated 31st July 1849.

Proposed by Mr. Harvey and seconded by Mr. Grey—that Miss Stone be admitted to the benefits of the Fund.

Letter from the Secretary to the Bengal Civil Fund, to the Secretary to the Government of India, dated 7th August 1849.

I am directed by the Managers of the Bengal Civil Fund, in reference to the communication received from you under date 12th April last, to state, for the information of the Honorable Court of Directors, that Miss Stone has been admitted by the General Meeting of Subscribers, held on the 31st ultimo, to the benefits of the Fund retrospectively from the 7th of September 1845.

Extract of paras. 8, 11, 20, 52 and 53 from the Second Report of the Committee appointed at the General Meeting of Subscribers to the Bengal Civil Fund, held on the 31st January 1849 "to consider the existing Rules of the Fund and to report upon any projects for amending the same that may be submitted to them."

8. "In 1825, Mr. Farish brought forward a proposition for admitting widows and children to the full benefits of the Fund without reference to property, the increased expense being met by an additional subscription of 1 per cent. on official allowances. This proposition was adopted by the Subscribers in 1830, but as they refused to contribute the additional 1 per cent. retrospectively beyond the 1st January of that year, it was thought prudent to suspend the operation of the rule until the affairs of the Fund could be thoroughly investigated, and its ability to meet the increased demands upon it determined by actual calculation."

11. "It was subsequently, however, discovered that, in consequence of the refusal of the Court of Directors to allow the Fund a higher rate of interest than 4 per cent. for the extra subscription, (8 per cent. being the rate previously allowed on the whole accumulated capital of the Bombay Provident branch, as it is at present on that of the Bengal Civil Fund,) the calculations which had been formed were deranged; and it was, therefore, determined in 1843 that the married Subscribers should thenceforth contribute at the rate of 4 per cent. on their official emoluments, besides the additional subscription for children, and the widowers and bachelors 2¼ per cent."

20. "Again, in 1848, the capital held at credit of the appropriated branch of the Bombay Institu-

tion was Rupees 12,32,757, to meet an annual payment of Rupees 1,36,626, and the Subscribers had moreover an unappropriated capital of Rupees 7,65,604, increasing yearly, as a margin to provide against further contingencies. But the pension payments of the Bengal Fund in 1849, amounting to Rupees 3,28,840, would require, in like proportion, an appropriated capital of Rupees 30,00,000; and as the actual capital is only Rupees 17,59,855, it is obvious that a further accumulation of Rupees 12,50,000 must be made before the Fund can properly be said to be solvent, that is, before the existing incumbents can be assured of receiving their allowances, whether the monthly contributions of the Service are continued or not."

52. "But, as already shown in paragraph 20 of this report, the present capital of the Bengal Civil Fund is less by twelve and-a-half lakhs of rupees than sufficient to represent the value of existing liabilities; and it is, therefore, impossible now to appropriate that value. Your Committee accordingly recommend that these three Rules be at present made applicable only to those liabilities which will accrue under the proposed plan on or after the 1st of January next; and that the pensions of incumbents under the present Rules may continue to be defrayed, as they now are, from the general assets of the Fund, until they are reduced by gradual decrement, as explained in paragraph 29, to that point when their value will not be greater than the whole unappropriated capital. This may be expected to be the case in about twenty years, when the fourth quinquennial adjustment will take place. The whole value of the remaining pensions under the present rules may then be transferred to the credit of the appropriated branch, and the accounts of the Fund placed on an uniform and satisfactory footing."

53. "A reference must be made to the Honorable Court of Directors to know the rate of interest they will allow upon the extra subscriptions to be realized in the event of the suggestions of your Committee being approved by the Service. At Bombay the Honorable Court allow interest on the extra subscriptions at the rate of 4 per cent. according to the terms of the Government loan open when the new arrangement was made at that Presidency. On the extra subscriptions of the Bengal Civil Fund, it seems not improbable that, on the same principle, the Honorable Court may allow interest at the rate of 5 per cent. But, at all events, it would be incumbent on the Managers for the present to invest all unappropriated receipts on which interest at 8 per cent. might not be allowed by Government in Company's 5 per cent. Paper under Article XIII. of the proposed Code."

Extract from the Proceedings of the Half-yearly General Meeting of Subscribers to the Bengal Civil Fund, held on the 31st July 1849.

The Managers beg to submit to the Meeting the following Statement regarding the family of the late Mr. Charles Grant Udny. Mr. Udny died in 1844, leaving a widow and three children. He left property amounting to £118-11-9 per annum, and he bequeathed the whole of it to Mrs. Udny.

Mrs. Udny and the children were admitted to the benefits of the Fund at the General Meeting held on the 30th January 1845, without reservation, the children being declared entitled to the full amounts (according to their respective ages) which are prescribed by Article XXIV. of the Rules.

In the course of 1847, Mrs. Udny married again, and the Agents of the Fund in London of course

ceased to make Mrs. Udny any further allowance, in conformity with Clause 4 of Article XXII. of the Rules. In conveying instructions to the Agents regarding the future payments to the children, it attracted attention that the Secretary to the Fund, in the letter which he proposed to address to the Agents on the subject, calculated the property left by Mr. Udny to his wife as having become available for the children, and instructed the Agents accordingly that the children, from the date of Mrs. Udny's re-marriage, were only entitled to receive the amounts (according to their respective ages) prescribed by Article XXIV. after rateably deducting the amount of property left by Mr Udny, *i. e.*, the sum mentioned above, £118-11-9. This, it was calculated, would leave the children at their present ages an aggregate sum of £21-8-3 to receive from the Fund.

Doubts being entertained in regard to the propriety of the reduction thus proposed to be made from the allowances of the children, enquiries were made on the subject. The result of these enquiries has shown that it has been the practice of the Fund, for the last few years, to take the *whole amount* of property left by a deceased Subscriber, as available at all times for that portion of his family claiming upon the Fund, in diminution of the amount otherwise due to that portion under Articles XXII. and XXIV. Thus, in the present instance, £118-11-9 being the property left by the deceased, that amount was at first deducted from the maximum aggregate of pension allowable under the aforesaid rules to the whole family *then* claiming, *i. e.*, the widow and the children: while now, the widow having no claim upon the Fund, in consequence of her re-marriage, it is deducted from the maximum aggregate allowable to the family *now* claiming, *i. e.*, the children alone. It is to be clearly understood, that it is not considered necessary that the income should be *really* available for the portion of the family who are claiming from the Fund; it is not so in the present case, but in this and other similar cases, lately, the Fund has acted as if it were so. We have not been able to ascertain at what exact period, or under what circumstances, this principle was first adopted into the working of the Fund. There are certainly several cases upon the records in which it is clear that no principle was put into operation, but, on the other hand, there is no doubt that it has been uniformly enforced for the last few years. Some of the Managers are of opinion that the practice explained above is supported by the Rules of the Fund; they think that in the case which is now submitted, the family are liable to the penalty prescribed by Clause 1, Article XXVI. of the Rules, that is, they would hold that Mr. Udny "made no due provision for his family," inasmuch as he did not so dispose of his property, in trust or otherwise, as to provide that the *whole* of it should be at all times available for that portion of his family claiming to be relieved by the Fund. The Managers who take this view think it necessary to add that they consider it quite discretional, under the clause in question, to reject an application for aid, either in whole or in part; and they observe accordingly that, in the exercise of such a discretion, it has been the practice not to reject applications altogether, but to allow the difference between the amount of the property taken as available and the amount of the aggregate pensions otherwise claimable under the general Rules.

Others of the Managers do not concur in the above view. They are unable to believe that the Rule in question was ever intended to lay down so rigid and precise a principle in respect to the

disposal of his property by a deceased Subscriber. Had it been so intended, they apprehend that it would have been carefully so expressed, and would not have been left dependent upon the vague and uncertain phrase which is made use of. They consider that the Rule, in fact, never meant to provide for anything more than a proper reasonable and *bonâ fide* disposition of his property by a Subscriber in favor of his family. They observe that the Clause is undoubtedly a highly penal Clause, and they would urge the injustice of putting a certainly very strained construction upon a Clause of that character, the more especially as they believe that that construction has, until very recently, been entirely unknown to the Subscribers at large.

With the above explanation of the views held by the Management, the case of Mr. Udny's family is laid before the General Meeting, in order that it may be formally decided, whether the manner in which Mr. Udny disposed of his property was or was not such as to render his family liable to the penalty declared by Clause 1, Article XXVI.

Proposed by Mr. Halliday, and seconded by Mr. Grey,

That the Managers be instructed that in the case of the family of the late Mr. C. G. Udny, the private income of £118-11-9 be *not* deducted from the allowance of the children; and if any directions for such deduction have been already sent to England, that they be re-called and full payments made.

Extract from Report of the Committee appointed at the General Meeting of Subscribers, held on the 12th October 1849.

In the 27th paragraph of the former Report, it was stated that the number of families who had come upon the Fund during the previous ten years was 39, and that the number of Subscribers who, during the same period, had deceased, leaving families independent of the Fund, was 16. But the latter number does not include retired annuitants who had retained an interest in the Fund, and died during that time, leaving families independent of its support. Under the new Rules, the families of future annuitants, in such circumstances, will receive support from the Fund without reference to their private means. The average annual number of such families who may eventually have to be provided for cannot be conjectured with any degree of accuracy. For several years it will of necessity be extremely small, amounting to a scarcely appreciable fraction, but it will increase with the number of annuitants who retire after the 1st January 1850, until the annual lapses among them equal in number the annuities annually granted. So far as your Committee are able to judge from a review of past retirements, it is not probable that more than three, out of the nine Subscribers retiring annually from the Service, will be married men possessed of property sufficient to have rendered their families independent of the Fund under the old Rules, or that more than two families of that description will eventually have to be provided for in each year; and the value of their pensions, will except in a few rare cases, be much less than that of the pensions granted to the families of those who die at an earlier period of life in the Service.

Extract from a Circular of the Managers by the Honorary Secretary, dated 24th July 1849.

The Honorary Secretary begs to circulate, for the orders of the Managers, propositions by the Accountant to the Government of Bengal.

1*st.*—To abolish investments of the assets of the Fund in Treasury Notes.

2*nd.*—To substitute entries in account.

3*rd.*—To furnish the Fund with the statement which it has hitherto received directly from the General Treasury, Agra, &c.

4*th.*—To adjust half-yearly its entries by an abstract statement.

Letter from the Officiating Accountant-General to the Government of Bengal, dated 26th June 1849.

With reference to the accompanying extract paras. 2, 3 and 4 from a letter from the Sub-Treasurer, to the address of the Secretary to the Government of India, in the Financial Department, No. 544, dated the 2nd ultimo, forwarded to me for report with a communication from the latter officer, under date the 5th idem, I have the honor to request that you will be good enough to state whether the abolition of the present practice of investing the assets of the Civil Fund in Treasury Notes, and the substitution in its stead of simple entries in account for realizations of subscription, &c., to the Fund, as in the case of the Civil Service Annuity Fund, would be attended with convenience, or otherwise, to the Institution.

I beg to add for your information that I intend to propose an uniform system for the adjustment of the accounts of the several Service Funds at this Presidency, instead of the different methods now obtaining with reference to them respectively, which, if sanctioned by Government, will affect in some measure the present mode of bringing to account subscription to the Civil Fund, as that Institution shall have then to be furnished from this Department with the Statements of Subscriptions credited in the Accounts of Treasuries subordinate to this Presidency; and the Government of the North-Western Provinces on account of the Civil Fund, which have hitherto been forwarded direct to it every month from the several departments of the Office of Account, the General Treasury and the Accountant at Agra, and consolidated there (in Fund Office) into one Statement *for submission to this department*, for verification, and the issue of instructions to the Sub-Treasurer for transfer of the total realization. And, further, at the end of each half or full official year, according as the Institution draws interest upon its Funds vested in Treasury Notes. This Office shall have likewise to furnish it with an Abstract Register of Receipts and charges, including the interest passed in each month's transaction, the Sub-Treasurer being at the same time requested to adjust the amount thereof in the accounts of the General Treasury.

Extract from a letter from the Sub-Treasurer, to the Secretary to the Government of India, Financial Department, under date the 2nd May 1849.

"2*nd.*—I would also suggest the abolition of the present practice of investment in Treasury Notes bearing Interest of the assets of the Civil Fund, of the Military Widows' Fund, of the Military Orphan Society, and of the Medical Retiring Fund, and the substitution of simple entries in account as in the case of the Civil Service Annuity Fund, and of the Uncovenanted Service Family

Pension Fund, so that the accounts of all the Funds might be kept, not only on an uniform, but on the most approved principle.

"*3rd.*—I understand that at Madras and Bombay Treasury Notes, as investments of the assets of similar Funds at those Provinces, do not exist.

"*4th.*—I believe that the changes herein proposed would, if sanctioned by Government, be generally agreeable to the parties concerned."

Extract from the Proceedings of the Managers, dated 27th July 1849.

Resolved, that the propositions be approved, on the understanding that the Fund suffers no diminution in its income from interest accruing on capital and subscription, nor incurs any additional expence in consequence of the new arrangement.

Letter from the Secretary to the Civil Fund, to the Officiating Accountant to the Government of Bengal, dated 7th August 1849.

In acknowledgment of your letter of the 26th June last, I am directed by the Managers to state that they are prepared to acquiesce in the arrangements you propose as regards the subscription of credits in account in the place of investing the funds of the Institution in Treasury Notes as heretofore. This will be on the clear understanding that the Fund is to suffer no diminution in its realizations of interest from its balances, and from its current subscriptions, nor to incur any expence in consequence of the new arrangements.

It appears to be intended that the invested assets existing at the time, when the proposed scheme may come into operation, shall be converted into a credit in account, it is, therefore, desirable to know how this will be effected with reference to the various dates which the Treasury Notes will bear.

It will prove satisfactory that the monthly Statements hitherto received directly from Offices of Account should continue to be so received by the Fund. But as respects the half-yearly statements in adjustment of balances and interest which you propose to furnish, it is important for the Managers to be informed at what time of the year they may be expected.

Letter from the Honorary Secretary to the Bengal Civil Fund, to the Secretary to the Government of India, dated 9th November 1849.

I am directed by the Managers of the Bengal Civil Fund to submit for the information of the Honorable the Deputy Governor of Bengal, and ultimately for that of the Honorable Court of Directors, the Proceedings of a Special General Meeting of Subscribers to the Fund held on the 12th ultimo, and the several papers connected therewith having reference to the adoption by the Subscribers of a New set of Rules for the Fund.

These Rules, it is proposed, should come into provisional operation on the 1st of January 1850. In the meantime they are undergoing revision, and when completed will be submitted for the approval of the Honorable the Court of Directors.

NOTICE, dated 1st January 1850.

NOTICE.—The Managers beg to notify the result of the reference made to the Subscribers at large, under the Resolution of the Special General Meeting of 12th October 1849. On the closing of the list, after the prescribed two months, on the 31st ultimo, the summing up of the numbers of votes received showed the following result.

For the Resolution of the Special General Meeting of Subscribers of the 12th October 1849, *viz.*, "that the Rules which have been proposed by the Committee after due consideration, and circulated to the Subscribers at large, for carrying out the principle which has been adopted by this Meeting and by the Subscribers at large, be passed as provisional Rules, and have effect from the 1st January 1850," ... 297 votes.

Against the same ..... 42 votes.

Majority in favor 255

NOTE—Several votes in favor of the Resolution have, since the 31st ultimo, been received, and although not counted among them, will be noted in the list of voters' names, which will be separately printed and circulated.

Accordingly, the New Rules adopted by the General Meeting of 12th October 1849, are now declared to be "*passed as provisional Rules, and have effect from the first of January* 1850," *i. e.*, from this day. The Civil Auditors are, therefore, requested to make the necessary deductions from Subscribers' public allowances *accruing from and after the first instant* at the rates prescribed by the said New Rules. From the allowances of such Subscribers as have not yet made the requisite 'return' by filling up the blank form sent to them, deductions will, for the present, be made either at the rate of 2½ or 4½ per cent. under Article 4, according to the best information possessed by the Managers in each case. But this will not secure the benefits of the Fund for any of the children of Subscribers, by whom the additional subscriptions required under Article 5 are not paid.

For the children of Subscribers who *have* filled in their names and dates of birth, but have omitted to state whether or not they wish to pay the additional subscription on their behalf, the deduction will be made as if they so intended and to such children the benefits of the Fund will be secured.

By order of the Managers,

G. ADAMS,

Hony. Secretary.

CIVIL FUND OFFICE,
The 1st January 1850.

Rules of the Bengal Civil Fund, of 1st January 1850, with revisions up to 1876.

1.—The matter in Roman are the Rules as they were originally passed.
2.—The matter (words, sentences) which stand in Italics are the original Rules, but rescinded.
3.—The matter in small print are alterations or additions to the original Rules.
4.—The Rules in operation are those which are printed in Large and Small Type.
5.—The numbers in Roman Figures are the numbers of the Rules as they stand in the Code of 1850.
6.—The numbers in Brackets are the numbers of the Rules in the Code of 1876.

ARTICLE I. (1).

The object of the Bengal Civil Fund shall henceforth be to provide for the widows and children of deceased members, without reference to any property they may possess or acquire.

ARTICLE II.

The Honorable the Court of Directors, and the Governor-General of India in Council, shall be solicited to continue patrons of the Institution.

ARTICLE III. (2).

The Fund shall be supported by the contributions of *the Company's* Covenanted Civil Servants on the Bengal Establishment now subscribing, or who may hereafter join the Service, aided by the donation of the Government.

Honorable the Court of Directors: it being as theretofore at the option of such of the Subscribers as were admitted to the Service prior to the 17th of January 1823, and have not, in pursuance of a resolution passed at the General Meeting of the 28th of July 1817, signed the declaration of a determination to continue their contributions to the Fund during the whole period of their Service in India, at any time to withdraw altogether therefrom, forfeiting thereby all claim upon the Fund, whether for sums subscribed, or on any other account whatsoever.

ARTICLE IV. (3).

The Subscribers shall contribute from the 1st January 1850, at the following rates of percentage on their salaries and other authorized public emoluments, including furlough and Subsistence allowance

Married Subscribers, 4½ per cent.

Widower and unmarried Subscribers, 2½ per cent.

The subscriptions on this account being liable to increase or decrease, according to the necessities of the Fund, as ascertained by a quinquennial adjustment of its assets and liabilities.

"Native gentlemen who were members of the Bengal Civil Service on the 15th May 1872, and in whose covenants the condition of subscription to the Fund was inserted before that date, shall be admitted as Subscribers, on the condition that subscriptions shall not at any time be accepted on behalf of a wife married during the lifetime of another wife, or on behalf of a child born of a wife married during the lifetime of another wife, and that such wife and such child shall receive no allowance from the Fund."

ARTICLE V. (4).

Married and Widower Subscribers with families, desirous of securing the benefits of the Fund for all or any of their children, shall contribute further for such children from the 1st April 1852 at the following rates:—

Married Subscribers—for each unmarried daughter ; per cent.; for each son under the age of 21 years, $\frac{1}{8}$ per cent.

Widower Subscribers, double the above rates.

It shall be optional to a Subscriber to continue his payments at ordinary or at widower rates, as the case may be, on account of any son who may, on his attaining the age of 21 years, be reported to the Managers to be wholly incapacitated by reason of infirmity from earning his livelihood : such payments must be continued up to the date of the Subscriber's decease, and the Managers must be satisfied that the infirmity was not produced by causes within the control of the invalid.

Subscribers divorced from their wives shall contribute at the same rates as those levied from Widower Subscribers, and the Managers shall have discretionary authority, on satisfactory proof of adultery being furnished, to allow such Members to subscribe at the reduced rates in anticipation of a legal judgment of divorce being obtained.

The Subscriptions of Annuitants or retired Subscribers shall be regulated in the manner provided in Article VIII.

ARTICLE VI. (5).

Subscribers, whether in Europe or India, are required to intimate to the Secretary to the Fund the date of their marriage, and of the birth of each child, within one month after the date of the occurrence. On failure of such intimation within the prescribed time, but if made within three months, the additional subscriptions will be levied with interest at 8 per cent., and a fine of Rupees 50 (fifty), and if made within six months, with interest at 8 per cent., and a fine of Rupees 100 (one hundred). After six months the admission of the wife or child to the benefits of the Fund will be dependent on the decision of a General Meeting, subject to such penalty, not being less than Rupees 100 in the case of a child, or Rupees 500 in that of a wife, besides arrears of subscription with interest at 8 per cent. as the Meeting may determine upon in each case.

ARTICLE (6).

In the event of the difference of age between a Subscriber and his wife exceeding ten years, a penalty, proportionate to the injury to the Fund, caused by such inequality, shall be levied at the time of marriage, according to the scale of fines annexed to the Circular of the 10th January 1859. (Copy of the Table of Fines up to the age of 57 is appended for ready reference).

Subscribers are required to inform themselves of the amount of the penalty by consulting the Table of fines drawn out with reference to this Rule, and if the penalty be not paid on the date of marriage, interest shall be levied on the amount. An intimation shall, however, be made from the Fund Office, as soon as the Secretary is in a position to make it, of the amount of the penalty due from a Subscriber. If the amount of penalty be not paid within one month of the receipt of intimation from the Fund Office of the sum due, interest will be charged on the said amount from the date of marriage to the date of payment, at the rate of 8 per cent. per annum, unless it can be shown that the cause of delay in payment was beyond the control of the Subscriber, in which case interest will be charged at 5 per cent. per annum. If the amount be paid up at any time subsequent to the date of marriage, either previous to the receipt of intimation from the Fund Office of the sum due, or within one month of the receipt of such intimation, interest will be charged at the rate of 5 per cent. per annum from the date of marriage to the date of payment.

When a Subscriber communicates the fact of his marriage, he should state the Christian name or names and surname of his wife, and the date of her birth.

ARTICLE VII. (7).

On the death of a Subscriber, should the amount of his subscriptions levied under Articles IV. (3) and V. (4), with interest, fall short of one-third of the value of the pension or pensions granted by the Fund, his family shall be allowed to make up the deficiency; failing which a deduction at the rate of one-sixth shall be made from such pension or pensions, until the minimum payment of one-third has been completed. In calculating this minimum, the whole of the contributions of the deceased Subscriber shall be taken into account, and the deduction, if any, shall be made ratably from the pension of each member of his family.

ARTICLE VIII. Rescinded.

First.—Subscribers who may hereafter retire from the Service on annuities of the Civil Service Annuity Fund, wishing to secure to their widows and children the full benefits of the Fund, must on retirement make up the amount of their subscriptions with interest to Rupees 25,000, and must also continue their contributions at the same rates on their annuities as those levied from Subscribers in the Service on their allowances, and under the same conditions in regard to minimum payments and liability to increase or decrease of rates, an option being allowed to each Subscriber of paying up once for all at the time of resigning the Service the full value of his future contributions calculated according to the annexed Tables on the joint lives of husband and wife, or father and children, or both, as the case may be. But such settlement will be open to re-adjustment, if the necessities of the Fund should be found to require an enhanced rate of subscription, and every retired Subscriber will also be liable to pay in the same manner for each child afterwards born, and in case of subsequent marriage, the additional premium as a married Subscriber.

Second.—But Subscribers hereafter so retiring from the Service may at their option by making up the amount of their subscriptions with interest either to Rupees 12,500, or to Rupees 6,250, and by continuing, or compounding for, their contributions at the same rates on their annuities as those levied from Subscribers in the Service on their allowances, secure to their families on the same conditions as above, in the former case one-half and in the latter one-quarter of the amount of pensions and other allowances granted to the family of a Subscriber dying in the Service, or of an annuitant who has made up on retirement the full amount of Rupees 25,000.

ARTICLE VIII. (8) Rescinded.

First.—Subscribers who may hereafter retire from the Service on Annuities of the Civil Service Annuity Fund, wishing to secure to their widows and children the full benefits of the Fund, must, on retirement, make up the amount of their subscriptions with interest to Rupees 25,000, and must also continue their contributions at the same rates on their annuities, as those levied from Subscribers in the Service on their allowances, and under the

same conditions in regard to minimum payments, and liability to increase or decrease of rates; an option being allowed to each Subscriber of paying up once for all, either at the time of resigning the Service, or at any subsequent period, the full value of his contributions, according to the Tables of Mortality, which, on the advice of an Actuary, may be adopted by the Managers. This commutation will be calculated at 5 per cent. in the following manner: Ordinary subscriptions, on the life of the Subscriber alone, additional subscriptions on the joint lives of husband and wife, and extra contributions for children on the joint lives of father and child. But such settlement will be open to re-adjustment, if the necessities of the Fund should be found to require an enhanced rate of subscription; and every retired Subscriber will also be liable to pay in the same manner for each child afterwards born, and, in case of subsequent marriage, the additional premium as a married Subscriber.

Second.—But Subscribers hereafter so retiring from the Service may, at their option, by making up the amount of their subscriptions with interest, either to Rupees 12,500, or to Rupees 6,250, and by continuing, or compounding for, their contributions at the same rates on their annuities as those levied from Subscribers in the Service on their allowances, secure to their families, on the same conditions as above, in the former case one-half, and in the latter one-quarter of the amount of pensions and other allowances granted to the family of a Subscriber dying in the Service, or of an annuitant who has made up on retirement the full amount of Rupees 25,000.

ARTICLE VIII. (8) in force.

First.—Subscribers who may hereafter retire from the Service on annuities, wishing to secure to their widows and children the full benefits of the Fund must, on retirement, make up the amount of their subscriptions with interest to Rs. 25,000, and must also continue their contributions on their annuities at half the rates levied from Subscribers in the service on their allowances, and, under the same conditions, in regard to minimum payments and liability to increase or decrease of rates; an option being allowed to each Subscriber of paying up once for all, either at the time of resigning the service, or at any subsequent period, the half value of his contributions according to the tables of mortality which, on the advice of an Actuary, may be adopted by the Managers.

This commutation will be calculated at 5 per cent. in the following manner, the total being reduced thereafter by one-half: Ordinary subscriptions on the life of the Subscriber alone, additional subscriptions on the joint lives of husband and wife, and extra contributions for children on the joint lives of father and child. But such settlement will be open to re-adjustment if the necessities of the Fund should be found to require an enhanced rate of subscription, and every retired Subscriber will also be liable to pay in the same manner for each child afterwards born, and, in case of subsequent marriage, the additional premium as a married Subscriber.

Second.—But Subscribers hereafter so retiring from the Service may, at their option, by making up the amount of their subscriptions with interest either to Rs. 12,500 or Rs. 6,250, and by continuing, or compounding for, their contributions on their annuities at half the rates levied from Subscribers in the Service on their allowances, secure to their families, on the same conditions as above, in the former case one-half, and in the latter one-quarter, of the amount of pensions and other allowances granted to the family of a Subscriber dying in the Service, or of an Annuitant who has made up, on retirement, the full amount of Rs. 25,000

Third.—Provided that, in the case of a Subscriber marrying after retirement, his contributions, or commutation payment in lieu thereof, shall, for his wife and for his children, the issue of such marriage, be taken at full rates.

ARTICLE IX. (9).

The amount of contribution or penalty payable by each Subscriber in the Service, shall, with the permission of Government, be deducted by the Officer passing the monthly pay bills (*Civil Auditor or other Officer auditing the monthly pay bills*) of Civil Servants, and be transferred to the Treasurer of the Fund in such manner as may be found most advantageous to the Fund under the direction of the Committee of Managers; and all Subscribers from whose salaries deductions may be made less than may be due from them, shall be obliged, on discovery of the error, to make up the difference to the Fund with interest thereon at the rate of five per cent. per annum.

ARTICLE X. (10).

Annuitants shall pay their subscriptions either to the Agents of the Fund in England, or to the Treasurer of the Fund in Calcutta, under the Rule prescribed in Article XXXVIII. (37).

ARTICLE XI. (11).

The (*Sub-Treasurer of Government*) Secretary and Treasurer of the Bank of Bengal shall, with the permission of Government, be Treasurer to the Fund: and all money and securities for money belonging to the Fund in India shall, with the like permission, be kept in the Public Treasury of the Government of India at the said Bank, subject to the direction and control of the Managers of the Fund.

ARTICLE XII. Rescinded.

The unappropriated receipts of the Fund exceeding the sum of two thousand (2,000) Company's Rupees (to be reserved for current expenses,) shall be vested in the Securities of Government, and made payable on account of the Fund under the signatures of any three of the Managers, but the Treasurer of the Fund shall be competent of himself to pass receipts for the interest receivable thereupon.

ARTICLE XIII. (12).

The Managers of the Fund in India shall nominate such persons as may appear to them proper to act as Agents for the Fund in England; and any money that may be required for the disbursements of the Fund in Europe shall be drawn for by, or remitted to, the Agents, as may be most advantageous to the Fund, in such manner as the Managers, under the control of the Subscribers, from time to time, may determine.

ARTICLE XIV. (13).

A duplicate copy of all Rules and Resolutions which may be passed relative to the Fund shall be transmitted to the Agents in England for their information, and that of all persons who may apply to them upon the subject.

ARTICLE XV. (14).

A half-yearly General Meeting of the Subscribers to the Fund shall be held at the Presidency of Fort William, in the months of Janu-

ary and July of each year, on a day to be fixed by the Committee of Managers, and notified in the Calcutta Gazette, Gazette of India, (*the Calcutta Gazette*) and the Gazettes of the North-Western Provinces and the Punjab, in two of the daily Calcutta papers, and in not less than two newspapers published in the North-Western Provinces two months before the day so fixed upon.

ARTICLE XVI. (15).

The Committee of Managers, or any nine Members of the Institution, may also convene a Special General Meeting at the Presidency, by public notice, provided that the day fixed for holding such Special Meeting, and the object of it, be advertised, in the manner prescribed in the foregoing Article, for the general information of the Subscribers.

ARTICLE XVII. (16).

All questions proposed at a General Meeting, whether half-yearly or special, shall be determined by a majority of votes; but the concurrent voices of at least nine Members shall be requisite to carry any motion whatever. The resolutions or proceedings of all General Meetings shall be signed by the Chairman, and published in the Calcutta Gazette, Gazette of India, (*the Calcutta Gazette*) and the Gazettes of the North-Western Provinces and Punjab. They shall also be printed and circulated to the Subscribers. The presence of nine members shall be necessary to form a Meeting, and of the event of an insufficient attendance, the Secretary shall be empowered to fix an adjourned date for such Meeting by advertisement in the Calcutta Gazette, Gazette of India, (*the Calcutta Gazette*) and the Gazettes of the North-Western Provinces and Punjab, and Calcutta papers, not being later than fifteen days after the day originally appointed for the Meeting; provided that all proxies which were sent in to be polled on the day originally appointed be polled at such adjourned Meeting.

ARTICLE XVIII. (17).

Should the Managers or any Member or Members be desirous of bringing forward at a half-yearly Meeting any new general question, or any question involving an increase or diminution of the rate of contribution now fixed, or any essential addition to, or alteration in, the rules and principles of the Institution now established, or any case not distinctly provided for under these rules, due notice of the purport thereof shall be given in the Calcutta Gazette, Gazette of India, (*the Calcutta Gazette*) and the Gazettes of the North-Western Provinces and Punjab, in two of the daily Calcutta papers, and in not less than two newspapers published in the North-Western Provinces, at least two months before such meeting. Provided, however, that on such questions and cases no resolution of a General Meeting, whether half-yearly or special, shall be conclusive; but the determination of the Meeting shall be referred to the Subscribers at large for final adoption or rejection by the transmission of their votes to the Managers within two months after the date of issuing the notice, either by advertisement or by separate letters to each Subscriber, as may be determined by the Meeting. It shall be the special duty of the Chairman of any Meeting to require attention to this rule.

ARTICLE XIX. (18).

The Resolution of a General Meeting on any question not falling within the provisions of the preceding Article, shall be open to revision after two months' previous notice given through the Secretary, and published in the Calcutta Gazette, Gazette of India, (*the Calcutta Gazette*,) and the Gazettes of the North-Western Provinces and the Punjab, in two of the daily Calcutta papers, and in not less than two newspapers published in the North-Western Provinces, of a motion to that effect at the next General Meeting which may be held at a period of not more than four months subsequently to the General Meeting at which such Resolution was passed, and two months subsequently to the date of the notification above prescribed; but the Resolution of such subsequent Meeting on such question shall be final and conclusive; provided always, that no Resolution of a prior Meeting shall be reversed or altered at a subsequent Meeting, except by a majority consisting of as many votes, at least, as decided the question in the first instance. All Resolutions not subjected to revision under this Article shall be deemed final and conclusive.

ARTICLE XX. (19).

Upon all questions duly advertised for discussion at any half-yearly or special General Meeting, all Subscribers shall be allowed to deliver their sentiments and votes by proxy. General proxies will only be allowed on behalf of Members who have left India, and, unless revoked, will be of force during the absence of such Members, or until the receipt of intelligence of their death.

Parties holding general proxies shall be entitled to vote on any question whatever that may arise. The holder of a special proxy shall be entitled to vote on any point connected with the question for which the special proxy was given, that may be discussed at the Meeting summoned for its determination.

No person shall hold a general or special proxy, or be entitled to vote at any General or Special Meeting, who is not a Subscriber to the Fund.

It shall be the duty of the Chairman of every General Meeting, after taking the votes of those present on each question, to call for the votes of proxies on the same question; the Chairman shall examine the proxies to see if they are in the prescribed form, and if not shall reject them.

For forms of general and special proxies, see A and B of the Appendix.

ARTICLE XXI. (20).

The Annual Accounts of the Fund shall be made up to the end of (*March—April*,) and submitted by the Managers at the half-yearly General Meeting of the Subscribers to be held in the month of January of each year. After being approved by the Meeting, a general statement of the state of the Fund shall be published for the information of the Subscribers in the Calcutta Gazette, Gazette of

India, (*the Calcutta Gazette,*) and the Gazettes of the North-Western Provinces and the Punjab.

A Committee of Managers of the Fund shall, at each January Meeting, be appointed for the ensuing year, and shall consist of the Secretaries to the Government of India, in the Home and the Financial Departments, the Sub-Treasurer and the Civil Auditor for the time being, with five other Members to be elected at such General Meeting.

ARTICLE XXII. (21).

The Committee of Managers, or the majority of those present at a Meeting of five or more, or, if less than five be present, any three Members of the Committee who may concur in opinion, shall be competent to decide, in the first instance, upon all matters connected with the Fund not expressly reserved for the determination of a General Meeting; but every act of the Managers shall be liable to revision and control by the Resolution of a General Meeting. It shall, moreover, be the duty of the Managers to report at the half-yearly Meetings the matters determined by them in the expired period.

ARTICLE XXIII. (22).

The Committee of Managers shall, subject to the control of a General Meeting, appoint the Secretary and Accountant to the Fund, and shall fix such allowance for him, payable from the Fund, as they may consider adequate to his services. The officer so appointed shall act under the immediate directions of the Committee of Managers, and shall also attend and obey the instructions of all General Meetings of the Subscribers, the Proceedings of which, and of the Committee of Managers, and generally all papers appertaining to the Institution, which may not be intrusted to the Treasurer in India or the Agents in England, shall be kept under the charge of such Secretary and Accountant, and shall, on application to him, or to the Committee of Managers, be open to the inspection of any of the Subscribers of the Fund.

It is to be understood that the Secretary and Accountant appointed as above, shall not be subject to removal from his situation by any future Committee of Management, but in concurrence with a majority of Subscribers at a General Meeting held as prescribed; provided—however, that it shall, at any time, be competent to the Committee to suspend the said Secretary and Accountant from the exercise of his functions, and to delegate them to another pending the disposal of the question which may have given rise to such a proceeding.

ARTICLE XXIV. (23).

In the event of any of the Managers who may be selected annually being subsequently removed from the Presidency without an intention or expectation of returning during the year of their election, it shall be communicated to the Subscribers at the next General Meeting, and in such instances, as well as in all

instances of a vacancy in the situation of a Manager by death or otherwise, a new election, if necessary, shall take place for the unexpired term of the current year.

The affairs of the Fund shall be conducted by nine Managers, of whom four shall be *ex-officio*, and consist of the first four of the following Officers not being elected Managers, who may, for the time being, be residing in or in the neighbourhood of Calcutta, provided such Officers are Subscribers to the Fund, *viz.* :

1. The Secretary to the Government of India in the Home Department.
2. The Secretary to the Government of India in the Financial Department.
3. The Comptroller-General of Accounts.
4. The Accountant-General, Bengal.
5. The Judicial Secretary to the Bengal Government.
6. The Revenue Secretary to the Bengal Government.
7. The Legal Remembrancer.
8. The Collector of Customs.

The other five Managers shall be Subscribers, and shall be elected at a General Meeting of Subscribers, to be held in January of each year in Calcutta. Any elected Manager taking leave for a period of, or exceeding six months, shall be held to have resigned his office, and any vacancy occurring among the elected Managers may be filled up at any General Meeting.

ARTICLE XXV. (24).

All applications for admission to the benefits of the Fund shall be made to the Committee of Managers. The Managers after calling for any further information which may appear to them requisite are to submit the application, and the decision they may have come to thereupon for the determination of the Subscribers at the next General Meeting. In cases of emergency and distress, when the Managers may consider the party for whom the application is made clearly entitled to the benefit of the Fund, they are authorized to advance such proportions of the fixed allowances hereafter specified, as may appear to them indispensably requisite till a final determination can be passed by the Subscribers at the next General Meeting aforesaid.

ARTICLE XXVI. (25).

The widow of every Subscriber who may die on or after the 1st January 1850, and by whom the additional subscription levied from that date from married Subscribers has been paid, shall, on furnishing a certificate of baptism, or a declaration, on honor of her age, together with certificate of marriage, and of the death of her husband with the date of his decease be entitled to receive, subject to the deduction provided for in Articles VII. and VIII. a pension of £300 (three hundred pounds sterling) a year if residing in Europe, or of Rupees 300, (three hundred Rupees) a month, if residing in India.

ARTICLE XXVII. (26).

No widow shall be entitled to the benefits of the Fund who may have been separated under a legal decision from her husband for misconduct on her part, or who may be known to have been living in a state of adultery, though not divorced or separated from him by law.

ARTICLE XXVIII. (27).

One-half of the pension of a widow shall cease upon her re-marriage, the amount of deduction to complete the minimum payment prescribed by Article VII. remaining unaltered.

ARTICLE XXIX. (28).

A widow admitted to the benefit of the Fund and losing a moiety of her allowance by marriage, shall be entitled on again becoming a widow to receive from the Fund the same allowance that she received previous to her last marriage. If her last husband be a Subscriber to the Fund, she becomes again entitled to the benefit of the Fund as his widow. But in no case shall a widow receive from the Fund more than one full pension of £300 a year in England, or Rupees 300 a month in India.

ARTICLE XXX. (29).

On the death of any Member of the Fund, on or after the 1st January 1850, leaving a daughter or daughters born in lawful wedlock, for whom the additional subscription of ¼ per cent. indicated in Article V. (4.) has been paid, an allowance shall be made to every such daughter from the Fund, to be paid in England or India, as circumstances may require (without any reference to property), at the following rates:

Till five years of age, Rupees 30 a month in India, or £30 a year in England.

From the commencement of the sixth year to the end of the eighth year, Rupees 40 a month in India, or £60 a year in England.

From the commencement of the ninth year to the end of the eleventh year, Rupees 50 a month in India, or £80 a year in England.

From the commencement of the twelfth year till marriage, Rupees 60 a month in India, or £100 a year in England.

A donation of £300 will also be paid to each daughter on her marriage.

ARTICLE XXXI. (30).

On the death of any Member of the Fund, on or after the 1st January 1850, leaving a son or sons born in lawful wedlock, for whom the additional subscription of ⅓ per cent. indicated in Article V. (4) has been paid, an allowance shall be made to every such son from the Fund, to be paid in England or India, as circumstances may require (without any reference to property) at the following rates:

Till five years of age, Rupees 30 a month in India, or £30 a year in England.

From the commencement of the sixth year to the end of the eighth year, Rupees 40 a month in India, or £60 a year in England.

From the commencement of the ninth year to the end of the eleventh year, Rupees 50 a month in India, or £80 a year in England.

From the commencement of the twelfth year to the end of the twenty-first year, Rupees 60 a month in India, or £100 a year in England.

Provided that at any time between the age of sixteen and twenty-one, on being settled in any profession or employment, he may receive, in advance, the whole amount of the annuity due to him up to the end of his twenty-first year, his claim on the Fund ceasing.

Provided also that the Managers may continue the whole or any part of his pension to any son of a deceased Subscriber, who at any time subsequent to the 31st March 1868, may have attained or may attain to the age of 21 years, and who may be proved, to their satisfaction, to be wholly incapacitated from gaining his livelihood, such incapacity being produced by causes beyond his control, and being duly certified from time to time in such way as to the Managers may seem sufficient.

Provided, further, that the Managers may, under similar conditions as to medical certificates, admit to fund benefits, either in whole or in part, the son of a Subscriber, even though such son shall have previously attained his majority, if he is wholly incapacitated from earning his livelihood, provided that subscriptions have been paid on his account, under Article V. (4), up to the date of his father's decease. Should the Managers decide to reject such an application for admission to Fund benefits, they shall refund to the legal representatives of the Subscriber, without interest, all subscriptions received on account of such incapacitated son from the close of his twenty-first year.

This rule thus amended shall be given retrospective effect in regard to all sons of deceased Subscribers who may be found, to the satisfaction of the Managers, to be at this present time (October 1871) incapacitated as above from earning their livelihood.

ARTICLE XXXII. (31).

In the case of a posthumous child, if the Subscriber, its father, had no other children, or if, having other children, he contributed for them the extra payment prescribed by Article V. (4), the same allowances shall be granted to it as if the extra contribution had been paid on its account; but if the father of a posthumous child, having other children, did not contribute the extra payment prescribed by Article V. (4) for the youngest child living at the time of his death, the posthumous child shall not be entitled to derive any support from the Fund.

ARTICLE XXXIII. (32).

The pensions of widows who may be admitted to the benefit of the Fund shall be paid in advance quarterly to themselves or to their authorized agents, but the acknowledgment of the widow herself shall be taken for all sums paid on her behalf.

ARTICLE XXXIV. (33).

The allowances granted from the Fund for the maintenance and education of children, shall be paid in advance quarterly to their guardians or relatives having the care of them, or to such persons as may be entrusted with the disbursement of the sums allotted for them, either by the Managers of the Fund in India, or by the Agents of the Fund in England. No advances made under this or the preceding rule shall be liable to be recovered on the death, marriage, or coming of age of any incumbent on the Fund.

ARTICLE XXXV. (34).

The pensions payable quarterly in advance to widows and children, under Articles XXXIII. (32) and XXXIV. (33) shall be considered due on the 1st of January, 1st of April, 1st of July, and 1st of October, in each year; and should any pension be left undrawn in the hands of the Home Agents of the Fund beyond three months after it becomes due, the same shall be at the risk of the pensioner.

ARTICLE XXXVI. (35).

The mother, guardian, or other person who may be in charge of any child or children entitled to a provision under Articles XXX. (29), XXXI. (30), and XXXII. (31), of these Rules, or any other person who may be authorized to receive the same on account of such child or children, shall, on each occasion of payment, before receiving the annuity payable, or any part thereof, take and subscribe, before a Justice of

the Peace or other competent officer, a solemn declaration according to Form C. of the Appendix; and such declaration shall be dated and signed on or subsequent to the day on which the annuity is claimable, and shall, in the event of the widow, guardian, or other person entitled to receive the same being in Europe, be delivered to and left with the Agents for the Fund in England, or if such widow, guardian, or other person shall be in India, it shall be delivered to and left with the Managers of the Fund for the time being.

ARTICLE XXXVII. (36).

If a Subscriber to the Fund, continuing in the Civil Service, and wishing to retain his interest in the Fund, shall have proceeded to, or remain in, Europe, otherwise than on Furlough or Subsistence allowance, he shall be required, while absent from India, to pay to the Fund a monthly subscription equal to that which he would have been required to pay if on (*Furlough*) *Subsistence* allowance; provided, however, that no Subscriber shall be permitted to avail himself of the above Rule for any period exceeding five years from the date of his departure from India.

ARTICLE XXXVIII. (37).

If any Subscriber absent from India, either on furlough or otherwise, shall omit to pay his subscription for the period of one entire year, his family shall not, in the event of his death during his absence, have any claim upon the Fund. It shall be the duty of the Managers to cause a written communication to this effect to be made to every Subscriber so discontinuing his subscription; and it shall be competent to a General Meeting to admit to the benefits of the Fund the family of any such defaulting Subscriber, on good and sufficient cause being shown for the omission and on payment of all arrears with interest at 8 per cent. On the return to India of a Subscriber who has failed during his absence to pay the full amount of his subscriptions, his allowances will be subject to the same rate of deduction as those of other Subscribers, and on all arrears of subscription being made good, with interest at 8 per cent., his family will be entitled, in the event of his death, to the full benefits of the Fund.

ARTICLE XXXIX. (38).

If a Subscriber to the Fund shall be suspended from the Service (*of the Honorable Company*), and shall die during the period of his suspension, his widow and children shall be entitled to the benefits of the Institution in like manner as if he had not been suspended, provided he continue to pay at the rate fixed on his actual allowances under Articles IV. (3) and V. (4).

ARTICLE XL. (39).

If a Subscriber to the Fund shall be dismissed from the Service (*of the Honorable Company,*) in the event of his death, his widow and children shall have no claim to the benefit of the Institution, and he shall not be allowed to retain any interest in the Fund by making any payment whatever.

ARTICLE XLI. (40).

Any person admitted into the Bengal Civil Service, with permission to take rank in that

Service above any person that has been a Subscriber to the Fund for a longer period than one year, shall not be entitled to become a Subscriber to the Fund except upon the following conditions, *viz.*:

First.—If the individual so circumstanced shall be unmarried, he shall not become a member of the Fund, except on condition of his paying to the Treasurer, within a period not exceeding six months from his commencing to receive salary from the (*Bengal*) Government, a sum of money equal to the average amount of the aggregate subscriptions of the unmarried members in whose year the individual wishing to subscribe may rank in the Bengal Civil Service, with interest thereon at the rate of five per cent. per annum.

Second.—If the individual so circumstanced shall be married or be a widower, having a child or children, he shall not become a Member of the Fund, except on the condition of his paying to the Treasurer, within a period of six months from his commencing to receive a salary from the (*Bengal*) Government, a sum of money equal to the average amount of the aggregate subscriptions of the married Members, retaining a contingent interest in the Fund, in whose year the individual wishing to subscribe may rank in the Bengal Civil Service, with interest thereon at the rate of five cent. per annum.

Third.—Any applicant giving to the Secretary of the Fund a written authority for the deduction of twenty per cent. from his future monthly allowances, until the sums due from him, under the above rules with interest, at the rate of five per cent. per annum, be paid up, shall be considered as having fulfilled the conditions required of him; provided always that his family shall not benefit from the Fund, if he quit the Service before paying up the whole amount due from him.

Fourth.—The Managers are authorized to admit applicants in the first instance agreeably to the foregoing Rules, but in all such cases the application shall be submitted for confirmation at the next General Meeting.

ARTICLE XLII. (41).

The actual value of all annuities, granted under the foregoing Rules, as well as those already granted, shall be passed to a separate account on the books of the Institution, under the head of "Appropriated Funds," agreeably to the value shown in the annexed Tables, or any other which, on the recommendation of a professional Actuary, may hereafter be adopted, by which Tables the one-third minimum value shall also be determined. Provided that, until the state of the Fund will admit of this Rule being fully carried out, the Managers shall be at liberty to suspend such portion of it as relates to the pensions of incumbents under the old Rules.

ARTICLE XLIII. (42).

On the 30th April 1853, and subsequently at the close of every fifth year, the Managers shall, according to these Tables, calculate the actual values of the pending annuities to widows and children of deceased members, and shall then compare the total of their values with the assets belonging to the Appropriated

Funds of the Institution. Should these assets exceed in value the said total, the difference shall be transferred back to the credit of the Unappropriated Funds, and be available for the purposes of the Institution; on the other hand, should the value of the said assets be less than the total aforesaid, the deficiency shall be supplied by a transfer from the latter branch to the former.

ARTICLE XLIV. (43).

At the same periods the Managers shall prepare and submit a complete valuation of the assets and probable liabilities of the Unappropriated Funds, and found thereon a recommendation for an increase or decrease of the contributions according to the necessities of the Institution.

ARTICLE XLV. (44).

It is hereby declared that the old Rules of the Bengal Civil Fund, as they stood on the 31st December 1849, are and will continue hereafter to be in force, in respect to the families of Subscribers who died on or previous to that date, as also to the families of all Subscribers then retired from the service, who have retained a contingent interest in the Fund. And all allowances granted to such families will be regulated as heretofore according to the provisions of those Rules, in the same manner as if the new Rules had not been passed. Provided that every widow now deriving support from the Fund shall, in case of re-marriage, be entitled to an allowance of £150 a year, if residing in Europe, or of Rupees 150 a month, if residing in India, subject to limitation under the old Rules to the extent of any private income she may possess or acquire in excess of £100 a year, or Rupees 100 a month, as the case may be.

APPENDIX.

Form A. of General Proxy.

I, A. B., do hereby authorize and appoint C. D., to vote for me upon all questions to be determined at the General Meeting of the Subscribers to the Civil Fund, and I hereby bind myself to abide by the vote to be given in my behalf, the same as if I myself had been present and voted at such meeting.

(Sd.) A. B.

Form B. of Special Proxy.

I, A. B., do hereby appoint C. D., to vote for me on all points connected with the following question* to be discussed at the General Meeting of the Subscribers to the Civil Fund, appointed to be held on the

(Sd.) A. B.

Form C. referred to in Article XXXVI.

I, A. B., (mother, guardian or relative of the child or children) of C. D., formerly a Civil Servant on the establishment of Bengal in the East Indies, do hereby solemnly and sincerely declare that (here enter at full length the names and ages of the child or children of the deceased); a child (or children) of the said C. D., is (or are) at this time alive.

Acknowledged and declared, at

this day of before me,

CORRESPONDENCE.

Letter from the Officiating Accountant-General to the Government of Bengal, to the Honorary Secretary to the Bengal Civil Fund, dated 20th November 1849.

I have the honor to acknowledge the receipt of your letter of the 7th August last, and in reply to state that, in the event of the propositions referred to in my letter of the 26th June preceding, relative to the investments of the assets of the several Service Funds of this Presidency meeting with the sanction of Government, the Treasury Notes belonging to the Civil Fund will be required to be surrendered to the Sub-Treasurer on the 30th April next for cancellation by him, and transfer of their amounts, together with interest at 5 per cent. and 3 per cent. donation up to that date as a Book Debt in the General Treasury Accounts for May 1850. The aggregate sum thus transferred, together with such subscriptions as may have been realized, but not invested up to the 30th of April with the interest that may be due thereon to the same date inclusive, will form the balance of the Civil Fund on the 1st May 1850.

I annex statements showing in what manner the interest on the balance of the Fund on the 1st May 1850, as well as on the future monthly subscriptions, will be calculated in this department. On reference to these returns, it will be seen that the Fund will not suffer any diminution in its realizations of interest from the contemplated change. It will also be observed that interest at 5 per cent. and 3 per cent. donation will be allowed to the Fund monthly on the total subscriptions realized, and that the same rate will be charged to the Fund on payments made from the General Treasury on its account during the relative period, this process being in principle similar to that now pursued in the adjustment of interest due to the Fund. At present the assets of the Fund are invested in Treasury Notes bearing interest at 5 per cent., the 3 per cent. donation being issued simultaneously with the half-yearly payments of 5 per cent. interest, but these Notes are issued for the *net* monthly receipts, or, in other words, for the amount of subscriptions realized in any one month less the charges incurred in that month, so that when the system of investments in Treasury Notes is set aside under the proposed change, the Fund will lose nothing by paying interest on payments made on its account, as it will receive interest on the gross realization instead of on the net amount as at present.

With regard to the last para. of your letter under reply, I am at present unable to state the precise date on which the half-yearly statements therein mentioned will be furnished to your office from this Department, but no delay will be allowed to occur in the preparation and transmission to you as soon as the requisite information has been obtained, which it is expected will not be later than March for the realization of the previous six months ending 31st October, and September for the six months' receipts ending 30th April.

Extract from a Despatch from the Honorable the Court of Directors, addressed to the Government of Bengal, in the Financial Department, dated 18th December 1849.

Para 1.—We have communicated the result of these proceedings to Mrs. Staiuforth, also to Mr. Colin Lindsay.

Para. 8.—The decision of the Subscribers to the Bengal Civil Fund admitting Miss Stone to the benefits of the Fund retrospectively from the 7th September 1849 has been communicated to that lady.

Letter from the Honorary Secretary to the Bengal Civil Fund, to the Secretary to the Government of India, dated 4th June 1850.

In continuation of this Office letter of the 9th of November last, I am directed to submit for the information of Government, and the Honorable the Court of Directors, the papers* respecting the revised Rules of the Civil Fund, copy of which, with report of the Committee appointed to prepare them, was then forwarded.

2. As intimated in the 2nd para. of the above communication, it was proposed to give effect to the New Rules from the 1st January last, with which view the votes of the Subscribers were called for by the Managers, and their report submitted to a Meeting held on the 31st January, when it was shown to have been determined by a majority of 297 to 42 that the leading principles of the New Rules should come provisionally into operation from the date above mentioned, the Committee however continuing their labours to consider and report on certain further alterations and amendments which had been suggested.

3. Reference is now solicited to the resolutions of the Meeting and the report since received, from the Committee, from which it will be perceived that it is intended that the New Rules submitted to Government with the letter of the 9th November last with the further revisions should be held applicable in respect to the families of all Subscribers coming on the Fund after January last, and remain provisionally in force subject to approval of the Honorable Court, and a report from a professional Actuary in London. For the consideration of the amendments and alterations suggested in the report which is enclosed, a Meeting of the Subscribers has been convened for the 31st July next.

4. The result of the Meeting will be duly communicated for the information of Government, and in the meantime I am directed to request that the Honorable the President in Council may be solicited to recommend for the approval of the Honorable Court the measures adopted by the Subscribers, and also that they may be pleased to continue the same rate of interest on all the subscriptions of the Fund under the new Rules which they have allowed under the former.

5. In making this request the Managers think it desirable particularly to refer to the circumstance of the present revisions having originated in the insufficiency of the Fund as formerly constituted to meet its liabilities as explained in detail in the 26th and 27th paras. of the report of the Committee of 30th June 1849. The levy of increased contributions from all Members of the Service thus became inevitable; and in course of the discussions which arose on the subject, attention became directed to the great advantages secured to the Bombay Fund by similar changes made in its constitution in 1830. Principles mainly corresponding with those introduced into the Bombay Fund approved by the Honorable Court are now proposed for this, which will at once restore its solvency, and secure like advantages, consisting chiefly of inducements to economy more particularly on the part of junior Subscribers, and freedom from vexation and harassing investigations which the late Rules frequently rendered necessary in respect to property supposed claimable from estates of deceased Subscribers which might reduce the claim of their families on the Fund.

---

* Proceedings of General Meeting of the 31st January last, (3 copies).

3rd Report of a Committee appointed for revision of the Rules (3 copies).

Letter from the Honorary Secretary to the Bengal Civil Fund, to the Secretary to the Government of India, dated 2nd July 1850.

With reference to the 4th para. of my letter of 4th June, and the accompanying copy of the account of subscriptions to the Civil Fund under New Rules, I am directed by the Managers to request that Government will be pleased to authorize credit of interest at 5 per cent. per annum on all additional contributions, pending final orders of the Honorable Court of Directors on the application for the full rate of 8 per cent. per annum.

Letter from the Secretary to the Government of India, Financial Department, to the Managers of the Bengal Civil Fund, dated 26th July 1850.

I am directed to acknowledge the receipt of your Secretary's letter, dated the 2nd instant, with its enclosure, soliciting to be allowed interest at the rate of 5 per cent. per annum on all additional contributions under the Rules recently adopted by the Subscribers to the Fund; and in reply to inform you the President in Council can only comply with your request to the extent of permitting interest to be calculated on these extra contributions at the rate of the open Government loan of the day, whatever that may happen to be, pending the receipt of the orders of the Honorable Court of Directors.

Letter from the Accountant General to the Government of Bengal, to the Managers to the Bengal Civil Fund, dated 3rd August 1850.

With reference to the letter from the Secretary to Government, in the Financial Department, to your address, under date the 26th ultimo, No. 996, intimating that the Honorable the President in Council has been pleased to allow interest at the rate of the open Government Loan of the day, whatever that may happen to be, upon all additional subscriptions to the Civil Fund realized under the Rules recently adopted by the Fund, I have the honor to submit, for the consideration of the Managers, whether it will not be more for the advantage of the Fund to invest the additional realizations in the 5 per cent. loan now open by subscription or purchase than in Treasury Notes bearing interest only at the rate of the open Government Loan of the day.

Extract from the Proceedings of the Managers to the Bengal Civil Fund, dated 6th August 1850.

5th.—Read letter from the Financial Secretary to Government, dated 26th July, communicating the sanction of Government to interest being calculated on the additional subscription under the New Rules of the Fund at the rate of the open Government loan of the day, whatever that may happen to be. Read also letter from the Accountant to the Government of Bengal, dated 3rd instant, suggesting the investment of the additional subscriptions in the 5 per cent. loan now open rather than in Treasury Notes, being interest only at the rate of the open Government loan of the day.

Resolved—(Mr. Harvey dissenting), as a temporary measure, pending decision of the Honorable Court on this Office letter of 4th June last, and future consideration by the Managers as to the best mode of regulating the credits and debits of the two distinct Funds, that all subscriptions under the old Rules invested up to the present date remain in Treasury Notes, and for the subscriptions accruing under operation of the New Rules, a separate

account be kept in form of a Book Debt distinguishing the ordinary on which 8 per cent. is allowed from the extra subscriptions now levied for which Government have consented to allow interest only at the rate of the open loan, *viz.*, 5 per cent.

Letter from the Honorable Court of Directors, to the Governor-General in India in Council, Financial Department, No. 34 of 1850, dated the 4th September 1850.

With your letter, dated 28th November 1849, No. 35, you forwarded to us copy of the Proceedings of a Special General Meeting of the Subscribers to the Bengal Civil Fund, held on the 12th October preceding, together with the several papers connected therewith, having reference to the adoption by the Subscribers of a new set of Rules for the Fund, so as to place it on a footing nearly similar to that of the Civil Fund at Bombay. In transmitting those papers, you observed that "the Proceedings thus far held are merely preliminary, and we shall report again to your Honorable Court as soon as we receive further intimation of the progress of this important project."

2. As we have not received any subsequent communication from you upon the subject, we consider it proper, without further delay, to offer a few remarks on the Proceedings in question, with respect to the main object which the Subscribers to the Fund desire to effect, *viz.*, the granting of pensions without reference to the private property of the claimants. We consider the principle involved in the proposed change unobjectionable, but we can be no party to promoting that object unless previously assured by a competent authority that there would be no risk of interference with existing engagements and obligations.

3. Before so important a change in the constitution of the Fund is, therefore, allowed, the scheme on which it is based should have the approval of an experienced Actuary, who should be particularly instructed to see that security is provided for the existing obligations of the Fund.

4. As the New Rules for carrying out the alterations in the Fund are considered only as provisional, we deem it unnecessary to review them, our present object being to caution the Managers and Trustees against entering prematurely into engagements which the Fund may not be able to maintain. We are accordingly of opinion that no pension should be granted under the New rules until the soundness of the scheme has been verified by the report of an Actuary.

5. We forward in the packet copy of memorial which we have received from Mr. St. George Tucker, of the Bengal Civil Service, on the subject of the proposed alterations in the Fund.

Extract from the Proceedings of a Half-yearly General Meeting of Subscribers to the Bengal Civil Fund, held on the 31st January 1851.

"Copy of a despatch of the Court of Directors, relative to the introduction of the New Rules, forwarding for report a Memorial presented to them by Mr. St. G. Tucker, is appended. This Memorial resembles that submitted to the Court by Mr. S. Bowring mentioned in the report of the Managers to the last General Meeting; and in answer to the objections set forth by Mr. Tucker, the Managers have referred to their report on the Memorial of the former gentleman, at the same time forwarding the Proceedings of the Meeting of July last, with intimation that a

report, such as the Court desired from a professional Actuary, had been called for previous to the receipt of their despatch. This information, the Managers have no doubt, will satisfy the Court of Directors as to the safety of at once adopting the New Rules.

"Orders of the Court on the application made by the Managers, as stated in their last report, for the allowance of the same rate of interest on the additional as on the original subscriptions of the Fund, have not yet been received; but, in the meantime, the Government of India has permitted interest to be calculated on the additional subscriptions 'at the rate of the open loan of the day, whatever that may be,' five per cent. being thus now realized on such subscriptions, and eight per cent. on the original.

"In communication with the Deputy Accountant-General it has been arranged that all net receipts of the Fund accruing from subscriptions at the old rates realized up to 30th April 1850 should continue invested in Treasury Notes, bearing interest at 8 per cent. per annum; and *all* receipts after that date, as well as the additional subscriptions accruing under the New Rules previously, should be kept in form of a 'Book Debt' account, wherein the ordinary subscriptions, bearing interest at 8 per cent., shall be distinguished from the additional subscriptions, bearing interest at 5 per cent."

The accounts of the official year 1849-50 were passed at the General Meeting of July last. And, therefore, with advertence to the 35th para. of the Committee's Report of the 30th March last, and Article XXI. of the New Rules, the provisions of the latter for the submission and audit of the accounts of this period of the year will not have effect until the Meeting of January 1852. The balance on account of the two descriptions of contribution, however, at the close of the first six months of the current official year, estimated according to the portion of the accounts as yet received for that period, may be stated as follows:

	Rs.	A.	P.
"Subscription at former rate of 2½ per cent. Company's Rupees	20,41,246	0	0
"Additional at 2 per cent. and extra Subscription for Children	92,913	0	0
"Total, Rupees	21,34,159	0	0"

The Respectful Memorial of Mr. St. George Tucker, of the Bengal Civil Service, to the Honorable the Court of Directors of the East India Company, dated 22nd April 1850.

SHEWETH,—That your Memorialist in his Covenant with your Honorable Court bound himself to subscribe to a Fund designated the Bengal Civil Fund, and has accordingly subscribed regularly up to the present date. This Fund, the object of which is defined in Article 1 of the Rules, was intended to provide for the maintenance of the widows and children of such of the Subscribers as may not at their death leave property sufficient for the subsistence and education of their families.

That on the 12th of October last a majority of the Subscribers to the Civil Fund adopted a Report drawn up by Mr. Harvey, and four other Subscribers, and dated June 30th, 1849, by which resolution the principles of the Fund have been entirely altered

and its object extended to providing for the widows and children of deceased members without reference to any property they may possess or acquire.

That in fixing the rates of subscription the Committee have neglected to consult any Actuary (para. 16 of the Report,) and have deviated from the most fundamental and ordinary rules of Insurance Societies, having relied entirely upon the limited experience of the Bombay Civil Fund, which your Memorialist apprehends is not founded on safe principles for the following reason :—

Because the payments of individual Subscribers are not in proportion to the benefits guaranteed to their families by the Fund, but are regulated by their salaries, which however applicable in the case of a Charitable Fund, are, your Memorialist apprehends, quite unsuitable in the case of a Fund in the benefits of which the rich will share equally with the poor.

Your Memorialist hopes that your Honorable Court will require that a Fund constituted on the principles and with the object of the new Fund, should be placed on a safe and just basis, and that each individual Subscriber should be prepared to meet his liabilities instead of burdening his successors with them.

Your Memorialist has no wish that—para. 17 (third) of the Report—bachelors from whom, on insurance principles, no subscriptions are required, and to whom no benefits are guaranteed should be relieved of any part of the contribution required by the Committee, but he submits to your Honorable Court whether their subscriptions ought not in the first instance to be appropriated to pay off the heavy debt, which the Committee in paras. 20 and 52 assert has been incurred. In para. 18 the Committee rightly judge that it is an imperative obligation on the present Subscribers to provide the means of securing the pensions of actual incumbents before they adopt measures for improving the condition of those who may hereafter come upon the Fund ; and in paras. 26 and 51 the Committee admit that the accumulation of a capital equal to the present value of all existing liabilities, and subject to periodical adjustment, is the only secure basis of an Assurance Fund, and that until the Subscribers are in possession of such a capital the annuities of incumbents cannot be pronounced safe, as they ought to be against all contingencies ; yet immediately after recording these unanswerable truths, the Committee propose in para. 52 to delay placing the Fund on a sound basis for 20 years to come.

Your Memorialist has submitted his Protest against the adoption of the new Rules to the Managers of the Fund, and has urged upon them the necessity of adopting the undermentioned measures, which he considers essential to its welfare. He now requests to draw the attention of your Honorable Court to the subject, and prays that your Honorable Court will be pleased to take into consideration the new Rules with a view to secure the solvency of the Fund.

Measures proposed for placing the New Civil Fund on a secure basis.

1*st.*—That, in the event of an Actuary's hereafter reporting that the payments of individual members under the New Rules have been insufficient, the deficiency shall be supplied out of the private fortunes left by Members who may die previous to the submission of the Actuary's reports, and by living Members in such manner as the Subscribers to the Fund may hereafter decide.

2*nd.*—That the Actuary shall be instructed to furnish calculations as to the amount required

from each individual married Subscriber (irrespective of all payments made previous to 1st January 1850, and irrespective of the payments of bachelors) for insuring to his family the benefits guaranteed by the Fund.

If, as the Committee in their report, para. 20, assert, the liabilities of the Fund exceed the assets by twelve lakhs and-a-half of rupees, previous contributions of the Subscribers have been already absorbed, and each Subscriber is further liable to the extent of about two months' salary.

3rd.—That the whole amount of the subscriptions by bachelors be paid into the Appropriated Fund (Article 41 of the New Rules) until the assets of that Fund be declared by an Actuary equal to its liabilities.

Extract from a Despatch of the Honorable Court of Directors, dated 5th February 1851.

Mr. Bowring is opposed to the alterations which have lately been made in the Regulations of the Bengal Civil Fund, and considers that as the constitution of the Fund has been entirely changed by those alterations, he ought to have the option of withdrawing altogether from it, or of remaining a Subscriber to the Fund as previously constituted.

2. The revised Regulations appear to have been adopted after due notice by a large majority of the Subscribers who voted on the question, the numbers being 297 to 42 against the application of those Rules to himself, Mr. Bowring has appealed to the Managers of the Fund, and also to your Government without success. The Managers considered that he was bound by his covenant to subscribe to the Fund and to contribute according to the Regulations duly passed by a majority of the Subscribers, and that they had no power to interfere in the matter, and you directed Mr. Bowring to be informed that it was not customary for the Government to interfere in the internal arrangements of the Fund, and you will inform Mr. Bowring that we cannot interfere in the matter.

Despatch from the Honorable Court of Directors, to the Governor-General of India in Council, Financial Department, No. 6, dated the 29th January 1851.

In our Despatch to your Government dated 4th September 1850, No. 34, we indicated our approval of the principle involved in the alterations proposed in the constitution of the Bengal Civil Fund, but we at the same time stated that we could be "no party to promoting that object unless previously assured by competent authority that there would be no risk of interference with existing engagements and obligations." We also expressed our "opinion that no pension would be granted under the New Rules until the soundness of the scheme had been verified by an Actuary."

2. You have now apprised us that by the "votes of a large majority of the Subscribers to the Fund it has been determined that the leading principles of the New Rules shall be brought provisionally into operations from the 1st January 1850, subject to our approbation, and the report of a professional Actuary in London; also that the Managers of the Fund solicit the same advantageous rate of interest on all the subscriptions under the New Rules, as we have heretofore allowed on the subscriptions under the Old Rules.

3. We consider that it was premature to bring the scheme into operation, and we must decline to be parties to it until we are in possession of the Actuary's report.

4. We regret that we cannot accede to the application for the grant of 8 per cent. interest on all the subscriptions to the Fund. We were under the necessity of refusing compliance with a similar application from the Trustees of the Bombay Civil Fund, when that Institution was re-organized for effectuating the same objects as the Bengal Civil Fund. We can only allow 4 per cent. interest on the additional subscriptions required for the new objects of the Fund, if such objects should be carried into execution with our sanction.

Memorandum from the Sub-Treasurer and Manager and Treasurer of the Bengal Civil Fund, dated 5th March 1851.

The Civil Fund has a vested Capital of Company's Rupees 17,11,617-2-3 in Treasury Notes at 5 per cent. per annum.

As it is not likely that the Fund will have occasion to use any portion of this principal, it appears to me desirable to invest the sum in 4 per cent. Government Promissory Notes, to be purchased at the present, or at a more favorable rate of discount, say from 18 to 20 per cent. This would increase the Capital to nearly one-fifth more without the least detriment either to the Fund or to the Government.

The Managers of the Military Orphan Society are cashing the 5 per cent. Treasury Notes belonging to that Society, and investing the same very advantageously in the 4 per cent. Loan.

I beg that the Secretary to the Civil Fund will circulate this for the consideration of the Managers.

Extract from the Proceedings of the Managers, to the Bengal Civil Fund, dated 11th March 1851.

The proposal of Mr. Manager Harvey for the investment of the sum now held in Treasury Notes in Company's 4 per cent. paper was discussed, and it was resolved that such a course was not practicable.

Extract from the Proceedings of a Half-yearly General Meeting of Subscribers to the Bengal Civil Fund, held on the 31st July 1851.

"Orders of the Honorable Court of Directors, dated 29th January, have been received, declining to allow 5 per cent. interest on the additional subscriptions under the New Rules, and sanctioning interest only at the rate of 4 per cent. per annum. Under these circumstances, the Managers have directed the investment in Government 5 per cent. Securities of Rupees 1,67,333, available as the (partly estimated) balance of 'additional subscription', to the 30th April last, and under an arrangement with Government, for the future, they will be able similarly to invest the sum of Rupees Ten Thousand a month, the calculated amount of such subscriptions."

Extract from the Proceedings of Managers, to the Bengal Civil Fund, dated the 11th May 1852.

1. With reference to the 6th Resolution of 24th February last, Mr. Grey having stated his views regarding the accounts, the following arrangements were agreed to.

Fifteen lakhs of the balance of the Unappropriated Fund to be transferred from the 8 per cent. head of account to the Appropriated Fund on account of the values of pensions granted under the old rules and still pending.

In future, on the accounts of each year being closed, the unappropriated balance in excess of five and-a-half lakhs (the estimated value of two

Letter from the Accountant General, Bengal, to the Secretary to the Government of India, Financial Department, 6th May 1851.

The amount paid as a donation to the Military Orphan Society on account of Additional Interest on the portion of the Orphan Fund Balance Invested in 4 per cent. loan paper having considerably increased during the past Official year as shown in the annexed statement, and a further increase being expected in consequence of recent investments in the same description of securities, the Sub-Treasurer also under date 22 ultimo (copy annexed) in reply to a reference from this department having expressed a doubt of the correctness of the construction of the Honorable Court's orders under which the disbursement is made, and solicited further instructions for his future guidance I have the honor to submit the case for consideration and orders.

2. The Honorable Court of Directors in a despatch dated 4th July 1832 having noticed the high rates of exchange and interest (8 per cent.) granted to the several Compassionate Funds directed (para. 5) that the rate of interest upon the Balances be reduced to 5 per cent. per annum from May 1833, but the Honorable Court not wishing that the Compassionate Funds should be placed in a worse position than before, further directed that on the 30th April in each following year the several Funds be granted as a donation from the Company a sum equivalent to the difference between the amount which the grant of such interest (5 per cent.) and of interest at the rate now allowed (8 per cent.) would produce.

3. The whole of the 8 per cent. Treasury notes held by the several Funds were under those instructions withdrawn and the amount reinvested in 5 per cent. notes, and an additional interest of 3 per cent. has been annually granted on this description of investment as a donation from the Honorable Court.

4. The Assets of the Military Orphan Fund have never been in balance on the General Books and at the date of the Honorable Courts orders were invested chiefly, if not wholly, in 8 per cent. notes, which as above mentioned were exchanged for others at the lower rate of Interest. The Society, however, had in its possession or about that period invested a portion of its funds in 4 per cent. loan paper.

5. This investment in 4 per cent. paper led to the payment of a rate of additional interest (4 per cent. and on the description of assets) loan paper not apparently contemplated by the Honorable Court.

6. The gross amount of capital in which the difference is calculated is also considerably increased, and the consequent increase of donation becomes a permanent additional charge to the State; for instance Rs. 1,00,000 previously held in Treasury notes at 5 per cent. interest, is augmented to Rs. 1,25,000, when invested in 4 per cent., loan paper at a discount of 20 per cent. and the donation of Rs. 3,000 on the former bearing Rs. 5,000 on the latter being an excess of Rs. 2,000 per annum for every lac of Rupees so invested, again the additional interest on the Treasury notes at 5 per cent. is paid annually, while the additional interest on the loan paper is paid half-yearly or quarterly, on the dates when the interest on the loans falls due, thus causing some further charge to Government from Compound Interest.

7. The Balances of the other Compassionate Funds referred to by the Honorable Court are invested entirely in Treasury notes bearing interest at 5 per cent., while the Balance of the Military Orphan Fund is held principally in those notes, but also

partially in loan paper bearing interest at 4 and 5 per cent., the additional interest being in every instance granted up to 8 per cent. as a donation.

8. A reference was made on the subject by my predecessor Mr. Morley in 1833, (copy annexed,) for ready reference, of letter of 3rd April 1833 (reply 711 of 6, idem), but the orders of Government on that occasion appear to have referred exclusively to the *dates* of payment of the additional interest or donation (and not to the rate to be allowed) the Honorable Court having directed the payment to be made on the 30th April in every year. The orders of Government are accordingly solicited on the following points to remove the doubts at present existing.

1*st*.—Whether the donation in the shape of additional interest on the Balance of the Service Funds is payable under the Honorable Court's instructions on any other description of interest than Treasury notes at 5 per cent., and

2*nd*.—Whether under these instructions the Sub-Treasurer is authorized to disburse any higher rate of additional interest than 3 per cent. as the donation of the Honorable Company.

Letter from Financial Secretary to the Accountant to the Government of Bengal, dated 15th August 1851.

I am directed to acknowledge the receipt of your letter No. 35, dated 6th May last, on the subject of payment of Interest to the Military Orphan Society, and soliciting the orders of Government on the following points :—

1. Whether the donation in the shape of additional interest on the balance of the Service Funds is payable under the Honorable Court's instructions on any other description of interest than Treasury notes at 5 per cent., and 2.—Whether under these instructions the Sub-Treasurer is authorized to disburse any higher rate of additional interest than 3 per cent. as the donation of the Honorable Company.

2. In reply I am desired to inform you that in the opinion of the President in Council the Service Funds are entitled to no higher additional interest than 3 per cent. whatever may be the description of Government Security in which their assets are invested, so that the charge to the State shall not under any circumstances exceed the limit of 8 per cent. on the capital of each Fund.

3. There are two other points in connection with the Military Orphan Society, in respect to which the Sub-Treasurer has addressed the Government *viz*., whether 8 per cent. interest should be paid on deposits made with the Society, but not forming part of its funds, such for instance as the patrimony of wards, and whether the payment of interest should be issued but once in the year or more frequently.

4. On the first point the President in Council does not find that the patrimony of Orphans forms any portion of the *bona-fide* capital of the Society, seeing that it is not at the disposal of the Society, but remain the property of the Orphan, and it is at least doubtful whether the bounty of the Honorable the Court of Directors in favour of the Society was meant to extend to this description of Assets. This point, however, is open to a reference to the Honorable Court.

5. It appears to His Honour in Council that the capital of the Military Orphan Society and indeed of all the Service Funds similarly situated, can be held to be formed solely from contributions of the Subscribers and of Government with the interest arising thereon; and that this capital may be invested in 5 per cent. Treasury notes at the option

of the Fund concerned where such privilege has been accorded, and is entitled to a contribution of additional interest at 3 per cent. once in each year. *No additional or special interest however can be allowed* on moneys or balances that cannot be shown to be the *bona-fide* property of the Military Orphan Society, and property claiming to be *bona-fide* the property of the Society and at its absolute disposal must be so certified under the signature of the Deputy-Governor and three or more Managers of the Society for the guidance of the Officers of the Government on the calculation and payment of additional interest thereon.

Civil Fund half yearly, see Fund letter No. 78 of 16th January 1852.

6. In regard to the period of payment of additional interest the President in Council considers that it ought to be issued only once a year at the close of each Official year.

7. The communications in respect to the Service Funds that have been received both from yourself and the Sub-Treasurer lead to the inference that the claims of the Funds on the State have not hitherto been adjusted according to any general rules, or on any uniform system, and on many accounts it appears to be expedient that the Assets of the respective Funds deposited in the Government Treasuries should be treated on the principle of a book debt.

8. You are accordingly requested to place yourself in communication with the Sub-Treasurer and the Managers of the several Funds on this head, and report, what is at present the plan of working out the details of each Fund with the Government, and whether you recommend its continuance, or would propose to adopt some better or more uniform and simple system of account in future, to be held applicable to all the Service Funds.

9. Copy of this letter has been communicated to the Sub-Treasurer and to the Directors of the Military Orphan Society for their information and guidance.

Letter from the Accountant-General, Bengal, to the Secretary to the Government of India, Financial Department, dated 26th November 1851.

I have the honor to submit herewith for orders, copy of letter No. 81, dated 22nd instant, from the Sub-Treasurer relative to the adjustment half-yearly of interest and donation on Treasury Notes of the Civil Fund, the Sub-Treasurer being of opinion that under the orders of Government communicated to this department in No. 1285 of 15th August last, he has no authority to pay the donation oftener than once a year. The Civil Fund, however, has hitherto formed an exception to the general Rule, and as it does not appear to have been the intention of Government to place the Fund in a worse position than before, and as the order was probably passed, Government not being aware of the existence of the exception, I take the liberty to refer the case of the Civil Fund back for further orders as to the continuance of the half-yearly rests both of donation and interest.

Office Memorandum from Accountant-General, Bengal, dated the 6th February 1852.

The Accountant to the Government of Bengal has the honor to forward to the Secretary to the Civil Fund for information copy of letter No. 78, dated the 16th ultimo, from the Secretary to the Government of India, in the Financial Department, on the subject of the payment of interest on the assets of the Fund half-yearly as heretofore until the receipt of orders to the contrary from the Honorable the Court of Directors.

Letter from the Financial Department to the Accountant-General, Bengal, dated 16th January 1852.

I am directed by the President in Council to acknowledge the receipt of your letter No. 846, of the 26th November last, enquiring with reference to the orders passed in this Department on the 15th August preceding, and which prescribe an *annual* adjustment of *additional* interest with the Service Funds in general, whether those instructions were intended to apply to the Civil as well as the other Service Funds, as the interest, both ordinary and extraordinary, on the assets of the Civil Fund have hitherto been always paid half-yearly.

2. In reply I am desired to state that the orders of the Honorable Court of 4th July 1832 most clearly authorize only an *annual* adjustment of interest with all the Service Funds, but as payments have long been made to the Civil Fund half-yearly, the President in Council is unwilling to disturb a system that has prevailed for many years, even though it appears to have been erroneous, or to adopt another which will place the Fund in a worse position than before; and he is accordingly pleased to authorize the continuance of the practice of paying the interest on the assets of this Fund half-yearly until the receipt of any orders to the contrary from the Honorable the Court of Directors.

EXTRACTED FROM PARLIAMENTARY PAPERS OF 1852-53.

A Statement of all Monies disbursed by way of Gratuities, Donations and Grants to the several Civil, Military, Medical and Indian Navy Funds at the respective Presidencies of Bengal, Madras and Bombay for the year 1850-51, the latest year for which the General Books have been received in this country.

	Annual Contribution.	To make up Interest on invested Capital to 6 or 8 per cent. per annum.	To make up Interest on current balances to 8 per cent per annum.	Difference of exchange between 1-11 and 2-4 per Sicca Rupee on account of bills drawn in repayment of advances by the Court.	TOTAL.
BENGAL.	Co.'s Rs.	Co.'s Rs.	Co.'s Rs.	Co.'s Rs.	Co.'s Rs.
Civil Service Annuity Fund	2,85,918	.....	.....	.....	2,85,918
Bengal Civil Fund ...	.....	58,566	.....	25,095	83,661
Bengal Military Fund ...	24,000	3,14,866	.....	1,57,794	4,96,660
Bengal Orphan Society ..	.....	28,846	.....	48,369	77,215
	3,09,918	4,02,278	.....	2,31,258	9,43,454

Extract from the Proceedings of the Managers, of the Bengal Civil Fund, dated the 11th May 1852.

1. With reference to the 6th Resolution of 24th February last, Mr. Grey having stated his views regarding the accounts, the following arrangements were agreed to.

Fifteen lakhs of the balance of the Unappropriated Fund to be transferred from the 8 per cent. head of account to the Appropriated Fund on account of the values of pensions granted under the old rules and still pending.

In future, on the accounts of each year being closed, the unappropriated balance in excess of five and-a-half lakhs (the estimated value of two

years' current appropriations) to be in like manner transferred to the Appropriated Fund from the same head of Account until the full value of the pensions granted under the old Rules, and then still pending, is made good.

The sums transferred as above to be credited in a separate (third) column of the Appropriated Fund, and all payments on account of pensions granted under the old Rules to be debited under a corresponding column.

EXPENDITURE.—All appropriations of values of pensions granted under the new Rules to be made in the proportion of the *value* of one-third from the 4 per cent. and the value of two-thirds from the 8 per cent. head of account.

NOTE.—Thus, of a pension of £300 a year, the value of £200 at 8 per cent. will be transferred from one head of account, and the value of £100 at 4 per cent. from the other head of account.

All payments on account of such pensions to be made from the Appropriated Fund in the proportion of one-third from the 4 per cent. and two-thirds from the 8 per cent. head of account.

All establishment and miscellaneous charges to be debited in the Unappropriated Fund under the 4 per cent. head of account.

(This is to compensate for a trifling disadvantage to the Fund by appropriating pensions in the exact proportion of ⅔rds and ⅓rd.)

INCOME.—All fines, commutation payments, and subscriptions on annuities to be credited under the 4 per cent. head.

Payments to make up Rupees 25,000, or Rupees 12,500, or Rupees 6,250, on retirement, to be credited under the 8 per cent. head.

Deductions under Article VII. to be made from the Appropriated Fund in the proportion of one-third and two-thirds, and credited to the Unappropriated Fund in the same proportions.

The Accounts of 1850-51 to be re-adjusted on the above principles, so far as may be found practicable, upon communication with the Accountant to Government.

Letter from the Sub-Treasurer, to the Honorary Secretary and Accountant to the Bengal Civil Fund, dated 30th June 1852.

I have the honor to acknowledge the receipt of your letter of the 29th instant, annexing copy of one from the Accountant to the Government of Bengal, No. 207, dated 28th instant, in which he states that he is unable to furnish the balance of the Civil Fund Book Debt Account up to date; but has no reason to doubt the correctness of your estimate, which shows the existence of ample funds under that account to meet the acceptance of Messrs. Coutts and Co.'s receipt falling due on the 3rd proximo for £13,400.

2. In your letter of the 25th instant, I am requested to adjust the acceptance in question from the Book Debt Account, but I beg to observe that, although under Article XI. of the Fund Rules, the Sub-Treasurer is Treasurer to the Fund, yet by the new system now adopted by the Managers, under which a portion of the Fund is kept as a Book Debt under charge of the Accountant to the Government of Bengal, instead of in Treasury Notes, under charge of the Sub-Treasurer in the manner prescribed by the Honorable Court of Directors' General Orders on the subject of the Funds, dated 4th July 1832, the Accountant to the Government of Bengal, and not the Sub-Treasurer, is *de facto*, though not *de jure*, the Treasurer of the portion of the Fund kept as Book Debt. The Sub-Treasurer has no knowledge of the Funds in Book Debt. In short, by the present system,

the XIth Rule of the Fund is transgressed, the orders of the Honorable Court of Directors are set at naught, and the Sub-Treasurer is called on to disburse sums from Funds, the amount or existence of which he is ignorant of.

3. It appears to me that the Book Debt system is an erroneous one, and opposed to the Rules of the Fund and the orders of the Honorable Court, and, therefore, ought to be set aside.

4. Under these circumstances, I would request the Managers of the Fund to arrange with the Accountant to the Government of Bengal, and put me in possession of funds to meet the claim of Government on the acceptance of Messrs. Coutts and Co.'s receipt by the Managers for £13,400, receivable on the 3rd proximo.

5. I beg to add that similar difficulties were experienced by me in disbursing money on account of the Uncovenanted Service Family Pension Fund, of which the Sub-Treasurer is ex-officio Treasurer, but the funds are kept as Book Debt by the Accountant to the Government of Bengal. On the representation of the case to Government, the Sub-Treasurer has been authorized to hold, at the disposal of the Fund, a specific sum monthly.

6. As regards the opinion of the Accountant to the Government of Bengal, that it would be advisable to meet the claims on the Civil Fund of the nature of the one in question, by the cancellation of the Treasury Notes of the Fund, I beg to remark that, as the majority of the Managers of the Fund have successfully opposed the cancellation of the Treasury Notes for investment in the Book Debt, and have directed in this instance the payment from the Book Debt, I presume, on principle they would rather prefer to meet claims on the Fund from the Book Debt than from the Treasury Notes. Indeed, I consider the Book Debt system, and its consequence, the making the Accountant to the Government of Bengal Treasurer of part of the Funds, instead of the legal officer, the Sub-Treasurer, entirely at variance with the Rules of the Fund and beyond the power of the Managers.

7. As the present claim will fall due on the 3rd July, I request the Managers will liquidate the same on that date.

Extract from a Despatch of the Honorable Court of Directors, to the Managers of the Bengal Military Orphan Society, and to the Managers of the Bengal Civil Fund, dated 3rd November 1852.

1. In communicating our decision upon the subject of this correspondence, we must direct your attention to the instructions contained in our circular despatch, in the Public Department, dated the 4th July 1832, for reducing the rate of interest from 8 to 5 per cent. per annum on the balance of the Service Funds therein mentioned.

2. The object of those instructions was to assimilate the rate of interest on the capital of those Funds to that borne by the Public Debt, and to grant the difference between 5 and 8 per cent. as a direct boon to the Funds. We neither intended to diminish or increase the advantages conceded by Government to the Funds, but to adjust in the Public Accounts the sum properly chargeable for interest, and the remainder as a contingent charge in aid of the Institutions patronized by Government.

3. The common rate of interest on Government Securities may now be considered 4 per cent., but as the 4 per cent. loan is at present at discount, it follows that, if the Society's funds were to be

invested in that loan, and Government allowed 4 per cent. in addition to the interest as a contingent charge, a greater advantage would accrue to the Society at the expense of Government than we intended or can permit.

4. It may be inconvenient to open Book Debt accounts for the reception of the funds of the Service Institutions, we therefore consider that the best way of accomplishing the object of our original instructions is to issue non-transferable Treasury Notes bearing a fixed rate of 4 per cent. *interest per annum* for the capital of the Orphan and other Institutions to which Government are pledged to grant an equivalent to 8 per cent. To pay the interest annually on the Notes, as well as the annual contingent charge of 4 per cent., and to show those charges separately in the Public accounts.

5. As the patrimony of the wards of the Orphan Society forms no part of the capital of that Institution, we cannot allow more than the common rate of interest thereon.

6. We conclude that any sums admitted by the Orphan Society to have been overdrawn have been duly adjusted.

Memorandum on Sub-Treasurer's letter of 3rd January 1853.

If the interest on the Treasury Notes is to be paid *annually*, instead of half-yearly according to their present tenor, and as heretofore paid, it will *diminish* the advantage to the Fund; and the Court have said they do *not* intend to diminish the advantage conceded by Government to the Funds.—(See Despatch of 3rd November 1852). The Government of India in 1829 conceded the advantage of half-yearly payments of 8 per cent. in express terms (see papers): and again on the 16th January 1852 stated, "as payments have long been made to the Civil Fund half-yearly, the President in Council is unwilling to disturb a system that has prevailed for many years, or to adopt another which will place the Fund in a worse position than before; and he is accordingly pleased to authorize the continuance of the practise of paying the interest on the assets of the Fund half-yearly until the receipt of any order to the contrary from the Honorable Court." The present despatch cannot be considered as "to the contrary" of that conclusion, and therefore the decision of Government of January 1852 should stand.

The object of the Court is, as they say, merely "to assimilate the rate of interest on the capital of the Funds to that borne by the Public Debt, that debt bearing interest payable, not 'annually' but half-yearly."

The matter will be submitted to the Government, if the Managers deem it necessary.

Memorandum on the question whether the Civil Fund is entitled to interest half-yearly, and whether the whole 8 per cent. should be so reckoned.

On the 27th March 1826, and 21st June, the Managers addressed the Government claiming aid for the Fund on the ground of "deterioration of resources by the loss to the Fund arising out of the reduction of the interest on the Public Funds, and rate of Exchange on the remittances which are annually required for the payment of incumbents on the Fund residing in England." "As our embarrassments have mainly arisen from a reduction of interest, against which the Honorable

Court have liberally guaranteed other similar Institutions, we trust we may be permitted to look to their humane consideration for the means of extracting the Fund from its pressing difficulties." "Should the Hon'ble Court be pleased to grant an interest of 8 per cent. on our Funds, the difference of 3 per cent. upon our present Capital will be Rs. 13,296."

The Chief Secretary to Government's reply, dated 21st April, grants a donation monthly of Sicca Rs. 2,000, also the surplus of annual stoppages from Absentee Civil Servants, amounting for the past to Sicca Rs. 3,75,884, and similar future surpluses: and adds—"In conformity likewise to the practice observed with regard to the Civil Funds of Madras and Bombay, the Honorable Court will be solicited to allow 8 per cent. interest on the property of the Fund."

On the 2nd October 1828, the Secretary to Government transmitted extract from a despatch, dated 8th April 1828, wherein the Court say, "With respect to the rate of interest, although we deem it generally objectionable to sanction the payment by the Government of any higher rate (of interest) than that borne by the Registered debt, yet, as under special circumstances the Civil Fund at Madras and Bombay receive an equivalent for the difference between the existing rate and 8 per cent. per annum, we are disposed to grant assistance to your Civil Fund upon a corresponding principle. We desire that in future the difference between the interest upon its Capital at the rate borne by our Securities, and 8 per cent. be also paid to the Fund."

On the 16th January 1829, the Secretary to Government wrote as follows to the Sub-Treasurer: "I am directed to transmit for your information and guidance the accompanying extract from a Public General letter from the Honorable Court of Directors, dated the 8th April last. For the adjustment of future payments to be made under these orders, you will be pleased to pay the difference between 5 or 6 per cent., as the case may be, and 8 per cent. on the Promissory Notes, or other Government Securities standing in the name of the Trustees of the Fund, *as the interest may fall due* on them respectively, so as to allow 8 per cent. upon its Capital. Further, on the receipt of subscriptions to the Fund into the Treasury, you will be pleased to issue 8 per cent. Treasury Notes not transferable in acknowledgment of the same, the interest on which may be made *payable half-yearly.*"

Again, on the 6th February 1829, the Secretary to Government addressed the following to the Sub-Treasurer: I am directed to transmit for your information and guidance the accompanying copy of a letter from the Acting Accountant-General, dated 4th instant, together with a copy of my reply of this date:—"To the Secretary, etc.,—Sir,—As the most convenient mode of carrying into effect the orders of the Honorable Court of Directors, which permit the Managers of the Bengal Civil Fund to draw the difference between interest already derived from the Capital of the Institution, and 8 per cent. per annum, I have the honor to request that you will submit to the Right Honorable the Governor-General in Council my respectful recommendation that His Lordship will be pleased to direct the cancellation of the 5 per cent. Treasury Notes at present held by the Managers of the Civil Fund, amounting to Sicca Rupees 1,93,400, and the issue in lieu thereof of Treasury Notes, bearing interest at the rate of 8 per cent. per annum."

Letter from the Acting Accountant-General, dated 4th February 1829:—I am directed to acknowledge the receipt of your letter of the 4th instant, and in reply to inform you that

agreeably to your recommendation the Governor-General in Council is pleased to authorize the 5 per cent. Treasury Notes therein mentioned to be cancelled, and fresh Notes, bearing interest at 8 per cent. per annum, *payable half-yearly*, to be given in lieu thereof.

Then came the orders of the Honorable Court of 4th July 1832:—"Being of opinion that the aid afforded by the Company should, as far as possible, be stated as direct contribution, we désire that the rate of interest upon the balances of the Funds be reduced to 5 per cent. per annum from the 1st May next, and that the several Funds be granted as a donation from the Company a sum equivalent to the difference between the amount to which the grant of such interest, and of interest at the rate now allowed, would produce." Accordingly, the Fund gave up its 8 per cent. paper which bore interest half-yearly, and obtained the 5 per cent. Treasury Notes bearing interest half-yearly, and the remainder of which are now to be carried to credit in Book Debt Account. On the 12th April 1833 the Secretary of the Fund wrote to the Sub-Treasurer:—"Sir,—I am directed by the Managers of the Civil Fund to request that you will be pleased to deliver up to the Sub-Treasurer the 8 per cent. Treasury Notes belonging to the Civil Fund, in order that the same may be cancelled, and 5 per cent. Treasury Notes issued in lieu thereof on the 30th instant, as directed by the Honorable Court of Directors in their letter to the Governor-General in Council, dated 4th July 1832."

The practice has thenceforth been to credit along with the 5 per cent. half-yearly the additional 3 per cent., and this practice the Accountant to the Government of Bengal proposes to continue in the Book Debt Account.

In connection with this subject see the Accountant's Office memo. of 6th February 1832, with copy of Secretary to Government's letter of 16th January 1832.

Letter from the Sub-Treasurer to the Secretary, Civil Fund, dated 3rd January 1853.

I have the honor to annex Copy of a Despatch from the Honorable Court of Directors, No. 54 of 1852, dated 3rd November, (see page 146), and with a view to carry out the intentions of the Honorable Court, I would request the sanction of the Managers to cancel the 5 per cent. Treasury Notes belonging to the Civil Fund, to re-invest the same in 4 per cent. non-transferable Treasury Notes, the Interest on which is to be paid *Annually* under the present orders of the Honorable Court.

Letter from the Secretary, Civil Fund, to the Secretary to the Government of India, Financial Department, dated 7th March 1853.

I am directed by the Managers to submit for the consideration and orders of the Government the accompanying copy of a letter from the Sub-Treasurer, dated the 3rd January last. In advertence to the Despatch of the Honorable Court of Directors, No. 54, dated 3rd November 1852, the Sub-Treasurer proposes to cancel the Treasury Notes embodying the main portion of the Capital of the Fund, and which by their tenor yield, as in the case of the Public Debt, interest half-yearly to the Institution, and to re-invest the funds in Treasury Notes bearing interest payable annually.

As this would have the effect of considerably diminishing the advantage the Fund has long received by way of interest on its assets, and the Honorable Court have expressly stated their

intention to be not to diminish the advantages conceded by Government to the Funds, the Managers earnestly hope that the Government will issue such instructions on the subject as may secure the same or equivalent advantages to this Fund to those allowed it under the orders issued on the 16th January 1829, and reiterated on the 16th January of last year in the following words: "as payments have long been made to the Civil Fund half-yearly, the President in Council is unwilling to disburb a system that has prevailed for many years, or to adopt another which will place the Fund in a worse position than before; and he is accordingly pleased to authorize the continuance of the practice of paying the interest on the assets of this Fund half-yearly until the receipt of any orders to the contrary from the Honorable Court."

The object of the Court as stated in the 2nd para. of the Despatch, and the adjustment proposed may be readily effected without prejudice to the Fund.

The Respectful Memorial of St. George Tucker, Esq. of the Bengal Civil Service, to the Honorable the Court of Directors of the East India Company, dated 27th May 1854.

SHEWETH,—That in 1850 your Memorialist requested your Honorable Court to interfere to prevent alterations in the fundamental Rules of the Bengal Civil Fund unauthorized by a professional Actuary.

That your Honorable Court on the 4th September 1850, and again in January 1851, issued instructions to the Managers of the Civil Fund, which have hitherto been disregarded by them, though the new Rules, which were the subject of your Honorable Court's remarks, have been in operation for nearly four years and-a-half.

That the lucid and carefully prepared Report of Mr. Griffith Davies, a professional Actuary of eminence, has been disapproved of by the Managers of the Fund, on the ground that he takes too unfavorable a view of the state of its finances, although this same Actuary had been selected by the Managers on account of his being the Actuary of the Bombay Civil Fund, the Rules of which Fund had formed the model for the new Rules of the Bengal Civil Fund, as prepared and adopted by Mr. Cecil Beadon, the most influential of the Managers.

That although the Report of Mr. Neison, another professional Actuary, has been printed, and was circulated among the Subscribers to the Fund in July last, the Managers have failed to propose the increase of subscriptions required by him; but, on the contrary, have submitted, for the sanction of the Subscribers, their own amateur report, which rejects the opinions of two professional Actuaries of high reputation.

That, as the object of the new Rules has been to grant pensions to rich widows and orphans, and as the course pursued by the Managers during four and-a-half years has virtually been to promise such pensions without providing means to pay them, your Memorialist apprehends that when the Subscribers discover that the Fund is on the verge of insolvency, they may decree the reduction of the pensions of *all* widows, and thus in effect take from the poor to pay the rich. As the Subscribers have already shown so little inclination to increase their subscriptions in accordance with the recommendation of the Actuaries, they are not likely to display more readiness when they find the deficit trebled by a reckless course of extravagance pursued during many years.

Your Memorialist, therefore, hopes that your Honorable Court will be pleased peremptorily to forbid the grant of any pensions under the new Rules, until the subscriptions shall have been regulated in accordance with the recommendations of a professional Actuary. The object of your Honorable Court in requiring that every Member of your Civil Service should subscribe was manifestly to prevent their leaving their widows and orphans destitute and dependant on the generosity of your Honorable Court and on the charity of their friends. That object will be defeated, if Subscribers be permitted to repudiate their liabilities, and throw the burden of supporting their widows and orphans in a future generation.

Your Memorialist as in duty bound will ever pray.

Despatch from the Honorable Court of Directors, No. 19, dated 30th May 1854.

The points which you have referred for our specific instructions are, *first*, whether interest on the capital of the Bengal Civil Fund, invested in non-transferable Treasury Notes, and the donation allowed for the difference between the interest borne by those Notes and the fixed rate of 8 per cent., should not be paid to the Fund half-yearly as in the case of the Public Debt; *secondly*, for a re-consideration of the request of the Managers of the Military Orphan Society for an allowance of 8 per cent. interest on the patrimonial property held in deposit on account of the wards of the Institution; *thirdly*, whether, in order to prevent a recurrence of the advantage taken by the Managers of the Orphan Society in disposing of the 5 per cent. Notes for the purpose of investing the proceeds in 4 per cent. Paper at a large discount, and thus obtaining more than the limited rate of 8 per cent. interest, the Society's capital should not be invested in a Book Debt of Government.

2nd.—On the first point, it would appear from your communication to have been the practice hitherto to pay interest and donation on the capital of the Bengal Civil Fund half-yearly, and that to substitute annual payments would inflict a permanent loss to the Fund of above Rs. 3,000 per annum. Under this representation, and in accordance with the principle which we have already recognized that in assimilating the rate of interest on the capital of the Service Funds to the rate borne by the Public Debt, we neither intended to diminish nor increase the advantages conceded by Government to the Funds. We accede to the request of the Managers of the Bengal Civil Fund that interest and donation on the capital of the Fund be continued to be paid half-yearly.

3rd.—With respect to the second point, we are certainly surprised to find it stated in the letter from the Secretary to the Orphan Society, dated 9th February 1853, No. 414, that the Society was enjoying from its foundation the same rate of interest, *viz.*, 8 per cent. on all its property, whether its own *bonâ fide* capital, or the patrimonial monies of wards, for this question was reported in your Military letter, dated 28th May 1840, No. 59, paras. 55 and 56, to have been decided in the negative, which decision had our approval in para. 18 of our reply, dated 21st April 1841, No. 35. We must accordingly adhere to the following communication made to you in our Financial Despatch, dated 30th November 1852, No. 54, para. 5.

As the patrimonial of the wards of the Orphan Society forms no part of the capital of that Institution, we cannot allow more than the common rate of interest, &c.

For the above reason we wish you to re-consider the subject in all its bearings, and then to report to us fully your opinion upon it.*

Extract from the Proceedings of the Most Noble the Governor-General of India in Council, in the Financial Department, under date the 19th August 1854.

Read a Despatch from the Honorable the Court of Directors, No. 19 of 1854, dated the 30th May, replying to the letter from this Department No. 45, dated the 29th July 1853, in respect to the best mode of allowing interest and donation to the Bengal Civil Fund, and to the Military Orphan Society.

On the first point it would appear from your communication to have been the practice hitherto to pay interest and donation on the Capital of the Bengal Civil Fund half-yearly, and that to substitute "Annual Payments, would inflict a pecuniary loss to the Fund of above 3,000 Rupees per annum." Under this representation, and in accordance with the principle which we have already recognized, that in assimilating the rate of interest on the Capital of the Service Funds to the rate borne by the Public Debt, "we neither intended to diminish nor increase the advantages conceded by Government to the Funds," we accede to the request of the Managers of the Bengal Civil Fund, that interest and donation on the Capital of the Fund be continued to be paid half-yearly.

The Honorable Court in this para. having acceded to the request of the Managers of the Bengal Civil Fund that interest and donation on the Capital of the Fund shall be continued to be paid to it half-yearly.

Ordered, that a copy thereof be forwarded to the Managers of the Bengal Civil Fund for their information and guidance, with advertence to the papers noted below* and further that a copy of the same para. be transmitted respectively to the Officiating Accountant to the Government of Bengal and the Sub-Treasurer.

Despatch from the Honorable Court of Directors, No. 39, dated 20th September 1854.

1. In our despatches to your Government, dated 4th September 1850, No. 34, and 29th January 1851, No. 6, we communicated our opinion on the alterations in the Rules of the Bengal Civil Fund, the main object of which was for granting the widows' pensions without reference to their private property. We indicated our approval of this measure upon an understanding that we should be assured by competent authority that there would be no risk of interference with the existing engagements and obligations of the Fund. We also expressed our opinion that no pension should be granted under the New Rules, until the soundness of the scheme had been verified by an Actuary.

2. As we have received no official communication that these important points have been attended to by the Managers and Trustees of the Fund, we request that you will call for a report upon the subject, also for any observations, the Managers may desire to make on the representations contained in a memorial which we have received from Mr. St. George Tucker, of the Bengal Civil Service, a copy of which is forwarded in the Packet.

---

* Letter from Secretary, Bengal Civil Fund dated 7th March 1853. (See page 149.)

Letter to the Officiating Secretary to the Government of India, Financial Department, dated 7th December 1854.

I am directed by the Managers of the Civil Fund to acknowledge the receipt of your letter of the 13th ultimo, forwarding copy of a Despatch from the Honorable Court of Directors, No. 39, dated the 20th September last.

With reference to the 2nd para. of the Despatch, I am desired to forward for transmission to the Honorable Court printed copies of the papers noted below.* It will be perceived that a proposal on the part of the Managers was put forward on the advice of Mr. Davies, the Actuary, at the Meeting held on the 30th March 1852, to the effect that an additional cess of ½ per cent. on the salaries of the whole Service should be levied. This motion was defeated by an amendment, but the amendment itself was subsequently disapproved by the Service. Similarly, at the same Meeting, it was proposed that fines should be levied on unequal marriages, but this motion was also defeated.†

The Managers thereupon determined to wait the result of the reference which had been made to Mr. Neison. Mr. Neison's report took, on the whole, a more favorable view of the state and prospects of the Fund, and on a review of the accounts at the first quinquennial adjustment under Rules 43 and 44, the Managers came to the conclusion that no increase of contribution was at present necessary. On the motion of a Subscriber, however, the suggestions of the Actuaries were again pressed upon the consideration of the Managers, and the opinion formed by them on such re-consideration will be found in their report laid before the General Meeting of the 31st July last.

---

* 1 Report by Mr. Griffith Davies. June 1851.
2 Managers' proposals thereon, November 1851.
3 Report by Mr. Neison December 1852.
4 Proceedings of General Meeting of Subscribers, held on 31st Januray 1852, 30th March 1852. 31st July 1852, 31st January 1853, 31st January 1854, and 31st July 1854.

† Namely,—"That for the fifth and sixth lines of the proposed Article 4 the following be substituted: "The contributions from married Subscribers shall be 5 per cent., and from unmarried 2½ per cent.

Proceedings of a Half-yearly General Meeting of Subscribers to the Bengal Civil Fund, held on the 31st January 1852.

Present: Messrs. H. S. Boulderson, F. J. Halliday, C. Allen, H. F. James, H. T. Raikes, G. Adams, B. J. Colvin, R. B. Garrett, J. S. Torrens, R. Abercrombie, G. L. Martin, Cecil Beadon, J. W. Dalrymple, C. S. Belli, and H. Balfour.

H. F. James, Esq., in the Chair.

Read the following Report with statement of Accounts submitted by the Managers:

"The Managers submit to the Meeting the following report of their Proceedings during the last six months.

"Subject to the approval of the Meeting they have admitted to the benefits of the Fund, the Widow and Children of Mr. T. R. Davidson, who died at Nagpore on the 20th of August last. The allowances assigned are noted in the margin.

Mrs. Davidson, yearly, ...	£ 300
Three Daughters, 2 @ £100 each, 1 @ £80, ...	,, 280
Three Sons, 2 @ £100 and 1 @ £60, ...	,, 260
	£ 840

"The application of Mrs. Beamish to be admitted to a half pension, as the Widow of Mr. J. C. Dick, under Article 45 of the present Rules is submitted for the determination of the Subscribers under Article 18.

"The Actuary's Report on the New Rules having been received since last Meeting, was printed and circulated to Subscribers under date 14th October last, and a Special General Meeting has been convened to be held on the 30th March next, for consideration of that Report and determination on the revision of the Rules drawn up conformably thereto, as given in

the printed Report of Messrs. Currie, Grant, and Readon, of the 29th November 1851, now in circulation. With reference to the 20th para. of that Report, copies of both these documents have been transmitted to the Agents in London for the purpose of being placed in the hands of Mr. Neison, the Actuary, to review and report fully on all the calculations and questions therein embraced. And with reference to para. 23, the Managers intend at once to apply the principle of commutation of the subscriptions of retiring Subscribers as recommended therein.

"The Accounts for the past year 1850-51 are submitted."

Abstract of the Accounts of the Bengal Civil Fund for 1850-51.

UNAPPROPRIATED FUNDS.	Bearing Interest at 4 per cent.	Bearing Interest at 8 per cent.
By Balance 1st May 1850 ...	34,038 8 10	18,69,666 10 10
,, Interest on the above balance ...	1,979 0 3	1,41,646 3 0
,, Payments by two Annuitants to complete Subscription Balance of Rupees 25,000, and by one to complete Rupees 12,500 under Article 8	0 0 0	17,786 2 4
,, Composition payment by Six Annuitants under Rule 8, ...	11,910 5 10	11,635 15 10
,, Contribution upon Annuity by two Annuitants under ditto ...	333 5 4	406 10 8
,, Subscriptions during the year ...	1,48,420 14 1	2,15,800 3 0
,, Broken Interest on subscriptions ...	4,093 11 2	26,237 8 0
,, Transfer from Appropriated Funds of deductions of one-sixth from pensions ...	140 3 10	333 7 6
,, Interest thereon ...	1 6 4	3 5 1
,, Hon'ble Court's Donation paid to the Agents in England £2,500, ...	0 0 0	25,600 0 0
	2,00,917 7 8	23,09,116 2 3
DEDUCT,		
To value of Mrs. J. Wheler and two Daughters' pensions transferred to Appropriated Funds ...	16,009 9 7	35,470 8 6
,, Ditto of Mrs. G. F. McLeod and Son's pensions, ditto ...	18,066 2 2	28,777 4 7
,, Ditto of Mrs. James Alexander's pension, ditto ...	16,855 7 6	21,777 1 1
,, Interest on the above values from dates of transfer ...	1,063 5 9	3,768 9 0
Carried over, Co.'s Rs. ...	51,994 9 0	89,793 7 2

Abstract of the Accounts of the Bengal Civil Fund for 1850-51—*continued.*

Unappropriated Funds.		Bearing Interest at 4 per cent.	Bearing Interest at 8 per cent.
Brought over, Co.'s Rs. ...		51,994 9 0	89,793 7 2
To Pensions under old Rules paid in England by London Agents' Bills for £27,100, Rupees ...	2,88,604 2 7		
,, Ditto paid in India	34,583 4 2		
,, Hon'ble Court's Donation absorbed in liquidation of Pensions and Agency charges ...	25,600 0 0	64,717 13 11	2,84,069 8 10
,, Refunds of excess-paid Subscriptions ...	1,876 3 11		
,, Establishment, &c., in India	3,038 6 6		
,, Civil Auditors and Agra Accountant for Statements	549 0 0		
,, Printing Bills	646 0 3		
,, Cost for a Valuation Table on the Joint Lives of Fathers and Sons	100 0 0		
Interest on the above payments		1,243 7 8	4,966 3 0
		1,365 5 7	14,663 2 1
		1,19,321 4 2	3,93,492 5 1
Balance on 30th April 1851, Co.'s Rs. ...		81,596 3 6	19,15,623 13 2

Appropriated Funds.	Bearing Interest at 4 per cent.	Bearing Interest at 8 per cent.
Value of the above-mentioned Pensions	50,931 3 3	86,024 14 2
Interest thereon	1,063 5 9	3,768 9 0
	51,994 9 0	89,793 7 2
Deduct—		
Payments to two Incumbents of their quarterly Pensions under New Rules, less deduction of one-sixth under Art. VII	923 4 0	2,195 4 9
Interest thereon	6 6 2	24 10 1
Transfer to Unappropriated Funds of the deductions of one-sixth from Pensions under Rule VII	140 3 10	333 7 6
Interest thereon	1 6 4	3 5 1
	1,071 4 4	2,556 11 5
Balance on 30th April 1851, Co.'s Rs. ...	50,923 4 8	87,236 11 9
Total Balance, Co.'s Rs. ...	1,32,519 8 2	20,02,860 8 11

E. E. G. ADAMS, *Honorary Secretary.*

Resolved, that the Proceedings of the Managers be confirmed, and the Accounts be passed.

A Memorandum on the Accounts was read by Mr. Beadon, and ordered to be printed.

The Managers elected for the ensuing year, were Messrs. E. Currie, J. P. Grant, E. A. Samuells, C. Beadon and W. Grey.

Proposed by Mr. Raikes, seconded by Mr. Garrett, That Mrs. Beamish be allowed such pension as is provided for by Article 45 in consequence of her remarriage.

The votes were :

	Present.	Proxies	Total.
For the proposition ...	4	22	26
Against ...	8	2	10

Carried accordingly, and to be referred to the Subscribers at large for final adoption or rejection by the transmission of their votes to the Managers under Rule 18.

Thanks were voted to the Chairman.

MEMORANDUM.

These accounts enable us to compare the actual financia result of the first *complete* year of the operation of the New Rules, with the estimate framed by the Committee on whose report they were adopted.

The events of the year 1850-51 were greatly in favor of the Fund ; for, instead of an addition of 4·935 widows and 16·5 children to the incumbents existing at the commencement, as was to be expected from the experience of former years, only 3 widows and 3 children came upon the Fund, and their pensions are all subject to a deduction of one-sixth under Article VII. The value of the accruing risks, instead of being Rupees 2,73,125. as was estimated, has been only Rupees 1,41,788. The following is a comparison of estimated and actual results :

	Committee's Estimate.	*Actual Result.*
Capital on the 1st May 1850 ...	Rs. 17,49,985	Rs. 18,51,341
Liabilities of the Fund under the old Rules during 1850-51	,, 3,25,182	,, 3,54,997
Income to meet those liabilities.		
By Interest	,, 1,39,998	,, 1,57,927
,, Court's Donation ...	,, 25,600	,, 25,600
,, Subscriptions (in part) ...	,, 1,59,584	,, 1,71,470
Total, ...	,, 3,25,182	,, 3,54,997
Appropriated under New Rules	,, 2,73,125	,, 1,41,788
Means of meeting the above.		
By Subscriptions (in full,) ...	,, 1,88,467	,, 1,92,751
,, Ditto on furloughs, ..	,, 2,863	
,, Deductions under Article VII. .. .	,, 2,629	,, 479
,, Subscriptions and composition from annuitants .	,, ,,	,, 24,286
,, Payments to make up Rupees 25,000 under Article VIII. ...	,, ..	,, 17,786
,, Transfer from capital ..	,, 79,166	,, ,,
Total, ...	,, 2,73,125	,, 2,35,302
Excess to be added to capital ...	,, ,,	,, 93,514
Capital on 30th April 1851 ...	,, 16,70,819	,, 19,44,855
	Deduct,...	,, 16,70,819
Excess above estimate ...		,, 2,74,036

It will be observed that the actual liabilities of the year, under the old Rules, are considerably in excess of the estimate, and still more in excess of the same liabilities for 1849-50, which amounted only to Rupees 3,00,710. The reason of this variation is that the accounts do not show the actual amount of pensions paid away in, and on account of, the year ; but only the amount of the bills drawn on the Fund by its London Agent, which represent payments made in, and on account of, former years, as well as some of those of the current year.

On the other hand, the income of the Fund from interest, subscriptions, and other sources, considerably exceeded the estimate ; and as the appropriation has been much less than was expected, we have been able to add Rupees 93,514 to our capital. instead of deducting Rupees 79,166. as was feared might be the case. These two sums added to Rupees 1,01,356, the excess of the previous year, make Rupees 2,74,036, the excess of actual above estimated capital on the 30th April 1851.

These results are certainly very satisfactory, and there is every reason to believe that those of 1851-52 will be at least equally so, as nine months have already passed and only one family has come upon the Fund during that time. But assuming, as I did last year, that the liabilities under the old Rules will not decrease, that the income of the Fund will not exceed the Committee's estimate, and that the full amount of Rupees 2,73,125 will have to be appropriated, the capital, on the 30th April next, will still be more by Rupees 3,10,866 than the Committee looked for.

When Mr. Griffith Davies wrote his report, the *full* value of the liabilities on the old Fund was for widows £221769·9, for sons £32181·48, and for daughters £81097·78, making altogether £335048·86, for which (after making deductions on account of property, &c.), he estimated that an appropriated capital of Rupees 24,81,009 was necessary). The actual full value of these liabilities at the present time is for widows £218148·6, for sons £26679·57, and for daughters £74923·98, making altogether £319732·15, for which (after deducting as before for property, &c.), an appropriated capital of Rupees 23,67,641 is required. The deficit, therefore, which Mr. Davies estimated to be Rupees 6,10,272, is now reduced to Rupees 23,67,641 – Rupees 19,44,855 = Rupees 4,22,786.

Proceedings of a Special General Meeting of Subscribers to the Bengal Civil Fund, held on the 30th March 1852.

PRESENT :—Messrs. J. I. Harvey, E. Currie, R. Torrens, R. Trotter, E. Bentall, W. J. H. Money, G. Todd, G. Adams, J. S. Torrens, A. Forbes, G. G. Mackintosh, E. A. Samuells, C. Beadon, A. R. Young, H. M. Reid, W. Grey, J. W. Dalrymple, C. T. Buckland, H. Balfour, J. H. Mangles and J. M. Lowis.

J. I. HARVEY, Esq., *in the Chair.*

Proposed by Mr. Currie, seconded by Mr. Dalrymple—That the revised Article 4. be adopted as follows :

"The Subscribers shall contribute from the 1st April "1852, at the following rates of percentage on their "Salaries and other authorized public emoluments, includ- "ing furlough allowance.

"Ordinary contribution from all Subscribers, 3 per "cent. Additional contributions from married Subscri- bers, 2 per cent."

"The subscriptions on this account being liable to in- "crease or decrease, according to the necessities of the Fund, as ascertained by a quinquennial adjustment of its assets and liabilities."

The following amendment was proposed by Mr. J. S. Torrens, and seconded by Mr. Balfour—"That for the "fifth and sixth lines of the proposed Article 4, the "following be substituted : 'The contributions from "'married Subscribers shall be 5 per cent., and from "'unmarried, 2½ per cent.'"

The votes on the amendment were :

For, present 7, proxies 31, total 38.
Against „ 8, „ 12, „ 20.

The amendment was accordingly carried, and the original motion lost.

Proposed by Mr. Currie, seconded by Mr. Money—That the revised Article 5 be adopted as follows :

"Married and Widower Subscribers, with families, de- "sirous of securing the benefits of the Fund for all or any "of their children, shall contribute further for such "children, from the same date, at the following rates :

"Married Subscribers—

"For each unmarried Daughter,..... ..... ¼ per cent.
"For each Son under the age of 21 years, ⅛ per cent.

"Widower Subscribers—

"Double the above rates.

For, present 11, proxies 42, total 58.
Against „ 0, „ 1, „ 1.

The proposition was carried accordingly.

Proposed by Mr. Currie and Seconded by Mr. Money —That the revised Article 8 Clause 1, be adopted as follows :

"Subscribers who may hereafter retire from the Ser- "vice, on annuities of the Civil Service Annuity Fund, "wishing to secure to their Widows and Children the full "benefits of the Fund, must, on retirement, make up the "amount of their Subscriptions with interest, to Rupees "25,000 ; and must also continue their contributions at "the same rates on their annuities as those levied from "Subscribers in the Service on their allowances, and "under the same conditions in regard to minimum pay- "ments and liability to increase or decrease of rates ; "an option being allowed to each Subscriber of paying up, "once for all, either at the time of resigning the Service, "or at any subsequent period, the full value of his "contributions according to the tables of mortality which, "on the advice of an Actuary, may be adopted by the

"Managers. This commutation will be calculated at 5 "per cent. in the following manner:—Ordinary sub- "scriptions on the life of the Subscriber alone; Additional "subscriptions on the joint lives of Husband and Wife; "and Extra contributions for Children on the joint lives "of Father and Child. But such settlement will be open "to re-adjustment, if the necessities of the Fund should "be found to require an enhanced rate of subscription; "and every retired Subscriber will also be liable to pay "in the same manner for each Child afterwards born, and "in case of subsequent marriage, the additional premium "as a married Subscriber."

This Proposition was carried unanimously by those present, with 39 proxies in favour of it, and none against it.

Proposed by Mr. Currie, seconded by Mr. Money—That the New Article 46 be adopted as follows:

"On and after the 1st May 1852, every Subscriber, "whether in the Service or after retirement on an Annuity, "marrying a wife more than 5 years younger than himself "(counting from the last birth-day of each) shall pay to the "Fund, over and above all other payments required by the "Rules, a fine according to the scale fixed for that purpose; "and his family shall not be entitled to the benefits of the "Fund until the fine, with interest calculated at 8 per cent. "from one calender month after the date of marriage, is "paid."

Mr. Harvey having an amendment to propose, then vacated the Chair, which was occupied for the time by Mr. Currie. The following amendment was then proposed by Mr. Harvey, seconded by Mr. R. Torrens:

"That the proposition to levy a fine from each Subscriber, who after the 1st May 1852, whether in the Service or after retirement on an Annuity, shall marry a wife more than 5 years younger than himself, is not the best mode of providing for the exigencies of the Fund. That it is also of doubtful legality, and opposed to the principles on which the Fund is established, by which the full advantages of the Fund are secured to all Subscribers, on equal terms. Further, that the proposition introduces a class distinction of payments of a nature necessarily productive of distasteful inquiries from Subscribers. That this Meeting resolve, therefore, to negative the proposed New Article 46."

The votes on the amendment, were

For, present 7, proxies 31, total 38.
Against „ 9, „ 12, „ 21.

The amendment was accordingly carried, and the original Proposition lost.

The provisions of Article 18 having been brought under the notice of the Meeting by the Chairman, it was proposed by Mr. Samuells, seconded by Mr. Beadon—"That the question whether the resolutions of this Meeting be refered to each Subscriber by separate letters or by advertisement, be left to the decision of the Chairman."

This Proposition having been carried unanimously.

The Chairman stated his decision to be, that a copy of the whole Proceedings of the Meeting should be forwarded to each Subscriber by letter, and that the votes of each Subscriber should be requested for the adoption or rejection of the two original propositions which had been carried; and on the amendment proposed by Mr. Torrens on the revised Article 4, and which amendment had also been carried by this Meeting. The Chairman considered, that as this amendment had the effect of introducing a positive Rule, altering the rates of contribution now existing, it must of necessity be referred for the votes of all the Subscribers.

With reference to his (Mr. Harvey's) amendment to the proposed New Article (46), which had also been carried by the Meeting, as it had the effect of a simple negative to the proposed New Rule, and introduced no change whatever, he (the Chairman) did not consider that an amendment of this nature could, under the Rules, be referred for the votes of the Service.

A letter (copy of which is annexed) from Mr. St. G. Tucker to the address of the Secretary, dated 26th ultimo, was submitted to the Meeting by direction of the Managers.

Thanks were voted to the Chairman, and the Meeting separated.

Proceedings of a Half-yearly General Meeting of Subscribers to the Bengal Civil Fund, held on the 31st July 1852.

PRESENT—Messrs. W. Blunt, J. I. Harvey, E. Currie, T. Bruce, G. Adams, B. J. Colvin, H. Alexander, the

Hon'ble H. B. Devereux, E. A. Samuells, C. Beadon, A. R. Young, H. M. Reid, J. W. Dalrymple, H. Balfour, W. Johnston, and the Hon'ble Ashley Eden.

J. I. HARVEY, ESQ., *in the Chair.*

Read the following Report submitted by the Managers:

"The Managers submit to the Meeting the following Report of their Proceedings during the last 6 months.

"Subject to the approval of the Meeting they have "admitted to the benefits of the Fund the Widow and "Children of Mr. James Brewster, who died at Dehra, "on the 19th of November last. The allowances as-"signed are noted below.

Mrs. Brewster, yearly	£ 300	0	0
Two Daughters, at £ 60 and £ 30 ...	,, 90	0	0
	,, 390	0	0
Less one-sixth to make up deficiency under Rule 7	,, 65	0	0
	325	0	0

"Mrs. Bailie Golding has applied to be allowed to "make up the balance of her husband's account with "the Fund, by a present payment of about Rupees "11,600, being the difference, with interest, between the "sum of his contributions, with interest, when he "retired on an Annuity on 1st May 1847, and the "prescribed sum of Rupees 25,000, which he should "have completed 'at the time of retirement,' under "Rule 33, in order to retain his interest in the Fund. "Mrs. Golding is aware, that if her application is "allowed, the family could benefit from the Fund only "under the *old* Rules, which provide for deductions of "private income from allowances. Her application is "submitted for the decision of the Meeting.

"Messrs. A. A. Roberts, W. C. Watson, and C. "Limond, having incurred the penalties of Rule VI., "the first of exclusion from the benefits of the Fund "of a daughter whose birth on 21st February 1851 "was not reported within the prescribed six months, "the second of a fine of Rupees 100 for not reporting "the birth of a daughter on 23rd March 1851 within "three months, and the third of a fine of Rupees 100 "for not reporting his marriage on 16th July 1851 "within three months,—severally represent that they "were in England at the time of the passing of the "New Rules, *viz.* 31st July 1850, and were not aware "of the requirement of Rule VI. Their cases are "submitted for decision.

"The Resolution of the Meeting of January last, "'that Mrs. Beamish be allowed such pension as is "provided for by Article 45, in consequence of her re-"marriage,' having been referred to the Subscribers at "large, as directed by the Meeting under Rule 18, the "result of the votes* received on the reference shows "that Mrs. Beamish's claim has been negatived.

"The result of the votes of Subscribers on the re-"solutions of the General Meeting of the 30th March "last, received within the prescribed two months, and "published on the 13th instant, is as follows:—

"*On the 1st Resolution*—"That for the 5th and 6th "lines of the proposed Article IV., the following be "substituted, 'the contributions from married Sub-"scribers shall be 5 per cent, and from unmarried 2½ per "cent,' a majority of 70 votes† is recorded against it, "and the original Article IV. therefore remains as it "stood in 1850.

"*On the 2nd Resolution*—'That the revised Article "V. be adopted' a majority of 136 votes‡ is recorded "in favor of it, and accordingly Article V. stands as "follows:—

* For the claim	47
Against it	61
† For it	46
Against	116
Majority against	70
‡ For it	148
Against	12
Majority for	136

Married and Widower Subscribers, with families, desirous of securing the benefits of the Fund for all or any of their Children, shall contribute further for such Children rom the 1st April 1852 at the following rates:—

Married Subscribers—for each unmarried daughter ¼ per cent., for each son under the age of 21 years, ¼ per cent.
Widower Subscribers—double the above rates."

"*On the 3rd Resolution*—'That the revised Article "VIII., clause I be adopted,' a majority of 143 votes* "is recorded in favor of it, and accordingly Article "VIII. clause I stands as follows :—

* For it	151
Against	8
Majority for	143

"Subscribers, who may hereafter retire from the Service on Annuities of the Civil Service Annuity Fund, wishing to secure to their widows and children the full benefits of the Fund, must, on retirement, make up the amount of their subscriptions with interest to Rupees 25,000, and must also continue their contributions at the same rates on their annuities, as those levied from Subscribers in the Service on their allowances, and under the same conditions in regard to minimum payments, and liability to increase or decrease of rates; an option being allowed to each Subscriber of paying up once for all, either at the time of resigning the Service, or at any subsequent period, the full value of his contributions, according to the Tables of Mortality, which, on the advice of an Actuary, may be adopted by the Managers. This commutation will be calculated at 5 per cent. in the following manner: Ordinary subscriptions, on the life of the Subscriber alone, additional subscriptions on the joint-lives of husband and wife, and extra contributions for children on the joint-lives of father and child. But such settlement will be open to re-adjustment, if the necessities of the Fund should be found to require an enhanced rate of subscription: and every retired Subscriber will also be liable to pay in the same manner for each child afterwards born, and, in case of subsequent marriage, the additional premium as a Married Subscriber."

"A reprint of the Rules, including the above revised Articles, will accompany these Proceedings."

Proposed by Mr. Currie and seconded by Mr Beadon, that the Managers' admission of the family of the late Mr. Brewster to the benefits of the Fund be confirmed.

Carried unanimously.

Proposed by Mr. Beadon, and seconded by Mr. Young that Mrs. B. Golding be allowed to make up the balance of her husband's account with interest to date of payment in order to entitle herself and children to the ultimate benefits of the Fund.

The votes in favor of this proposition were ..	10
Ditto against it	3

Carried accordingly,—and the resolution to be submitted to the Subscribers at large for confirmation under Rule XVIII.

A question having arisen whether an Annuitant subscribing to the Fund under Rule VIII., is entitled to vote in person or by proxy at the Meetings of the Fund,—Mr. Currie moved and Mr. Samuells seconded, and it was resolved unaninmously, that he so entitled.

Proposed by Mr. Beadon and seconded by Mr. Young, that the child of Mr. A. A. Roberts be admitted to the benefits of the Fund upon payment of a fine of a hundred Rupees.

Carried unanimously.

Proposed by Mr. Beadon and seconded by Mr. Samuells, that it is necessary that Mr. Watson should pay the fine incurred under Rule VI.

Carried *nem. con.*

Proposed by Mr. Beadon, and seconded by Mr. Samuells, that it is necessary that Mr. Limond should pay the fine incurred under Rule VI.

Carried *nem. con.*

It having been brought to the notice of the Meeting, that by the appointment of Mr. J. P. Grant to the office of Secretary to the Government of India, he becomes an ex-officio manager, and leaves a vacancy in the elected portion of the management, it was, on the motion of Mr. Beadon, resolved unanimously that Mr. B. J. Colvin be elected to the vacant office.

Thanks were voted to the Chairman, and the Meeting separated.

Proceedings of a Half-Yearly General Meeting of Subscribers to the Bengal Civil Fund, held at the Town Hall, on the 31st January 1853.

PRESENT:—Messrs. W. B. Jackson, R. J. Loughnan, G. Adams, B. J. Colvin, C. Gubbins, G. G. Mackintosh, A. R. Young, C. G. Hillersdon, W. S. Seton-Karr, C. P. Hobhouse and J. A. Crawford.

W. B. JACKSON, ESQ., *in the Chair.*

Read the following Report with statement of Accounts submitted by the Managers :

"The Managers submit the following Report of their proceedings during the last six months.

"Subject to the approval of the Meeting, they have admitted to the benefits of the Fund, the Widow and children of Mr. Augustus U. C. Plowden, who died at Boolundshuhur, on 30th April 1852: also the Widow and four children of Mr. Henry W. Torrens, who died at Calcutta, on 16th August 1852. The fifth child, a Son, born on 10th April 1252, was not reported nor subscribed for before the father's demise; a special application is therefore made for his admission by the Widow, which the Managers recommend may be complied with.

"The Resolution of the Meeting of July last,—'that Mrs. B. Golding be allowed to make up the balance of her husband's account, with interest to date of payment, in order to entitle herself and children to the ultimate benefits of the Fund, having been referred to the Subscribers at large, as directed by the Meeting, under Rule XVIII. the Resolution has been affirmed by 200 votes against 4.

"Mr. W. C. Watson appeals against the decision of the last Meeting, for the payment of the fine of Rupees 100 incurred by him under Rule VI submitting additional explanation in support of his appeal.

"Messrs. W. Edwards, A. H. Cocks, H. C. Raikes, O. W. Malet, and F. Shaw, have incurred the penalty of Rule VI. the first of exclusion from the benefits of the Fund of a son, whose birth, on 16th March 1851, was not reported within the prescribed six months, the second, similarly of a daughter, born on 12th October 1850, the third, of exclusion of his Wife from the benefits of the Fund for not reporting his marriage on 3rd February 1852, within the prescribed six months, the fourth, similarly, for not reporting his marriage on 24th June 1852, within six months, and the last of a fine of 100 Rupees, for not reporting his marriage on 15th April 1852 within three months. Mr. Shaw having been in England since March 1848, did not receive the Reports and new Rules until his return in September 1852. Their cases are submitted for decision.

"The accounts for the year 1851-52, are submitted.

Mrs. Plowden, yearly ...	£300	0	0
Four Daughters, 2 @ £100 each, and 2 @ £80 ...	,, 360	0	0
A Son, ...	,, 100	0	0
	£760	0	0
Less 1-6th to make up deficiency under Rule VII.	,, 126	13	4
	£633	6	8
Mrs. Torrens yearly	£300	0	0
Three Daughters, @ £100 ...	,, 300	0	0
A Son, @ £60	,, 60	0	0
	£660	0	0
Last-born Son, @ £30	,, 30	0	0
	£690	0	0
Less 1-6th to make up deficiency under Rule VII.	,, 115	0	0
	£575	0	0

Abstract of the Accounts of the Bengal Civil Fund for 1851-52.

UNAPPROPRIATED FUNDS.	Bearing Interest at 8 per Cent.	Bearing Interest at other rates.	Bearing Interest at 8 per Cent.
By Balance 1st May 1851 .. ... Co.'s Rs.	18,42,008 8 6	1,55,211 8 2	
„ Interest	1,61,278 4 2	8,378 12 2	
„ Subscriptions during the year	2,17,038 2 0	1,50,096 14 5	
„ Payments by eleven Annuitants to complete subscription balance of Rupees 25,000 ..	39,563 2 6	0 0 0	
„ Composition payment by eight Annuitants ...	0 0 0	40,011 7 5	
„ Contribution on Annuity by seven Annuitants	0 0 0	1,431 4 1	
„ Fines from nine Subscribers under Rule VI. ...	0 0 0	1,000 0 0	
„ Transfer from Appropriated Funds of deduction of one-sixth from pensions	903 11 5	445 5 11	
„ Hon'ble Court's Donation paid to the Agents in England	25,600 0 0	0 0 0	
	22,86,391 12 7	3,56,575 4 2	

DEDUCT—	Bearing Interest at 8 per Cent.	Bearing Interest at other rates.	Bearing Interest at 8 per Cent.
To Transfer to Appropriated Funds—part value of „ Pensions granted under the old Rules, still pending	15,00,000 0 0	0 0 0	
„ Interest thereon	1,22,400 0 0	0 0 0	
„ The donation paid to Agents in England for payment of above pensions	25,600 0 0	0 0 0	
„ Value of Mrs. T. R. Davidson, three Daughters, and three Son's pensions	51,923 6 8	35,364 12 2	
„ Do. of Mrs. James Brewster and two Daughters' pensions	33,332 0 9	25,920 5 8	
„ Do. of Mrs. A. U. C Plowden, four Daughters, and one Son's pensions	52,053 0 10	37,530 1 0	
„ Interest thereon	4,119 3 8	1,460 15 1	
	17,89,427 11 11	1,00,276 1 11	
„ Refunds of excess-paid subscriptions ...	6,729 0 8	73 7 10	
„ Do. of excess interest received on a deposit ...	8,406 7 10	0 0 0	
„ Establishment, &c.	0 0 0	3,764 7 9	
„ Printing Bills	0 0 0	129 0 0	
	18,04,563 4 5	1,04,243 1 6	
Balance on 30th April 1852, Co.'s Rs.	4,81,828 8 2	2,52,332 2 8	

Abstract of the Accounts of the Bengal Civil Fund for 1851-52.

Appropriated Funds.	Bearing Interest at 8 per Cent.	Bearing Interest at other rates.	Bearing Interest at 8 per Cent.
By Balance, 1st May 1851 ... Co.'s Rs.	87,236 11 9	50,923 4 8	
,, Interest	6,822 3 9	4,904 7 10	
,, Transfer from Unappropriated Funds—part value of old pensions	0 0 0	0 0 0	15,00,000 0 0
,, Interest thereon	0 0 0	0 0 0	1,22,400 0 0
,, Transfer from ditto of the don. paid to the Agents for payment of above pensions ..	0 0 0	0 0 0	25,600 0 0
,, Do. do. value of the new pensions granted to three Families within the year	1,37,308 8 3	98,815 2 10	0 0 0
,, Interest thereon	4,119 3 8	1,460 15 1	0 0 0
	2,35,486 11 5	1,56,103 14 5	16,48,000 0 0

Deduct—	Bearing Interest at 8 per Cent.	Bearing Interest at other rates.	Bearing Interest at 8 per Cent.
,, Payments to incumbents under old Rules in England of their half-yearly pensions ...	0 0 0	0 0 0	3 01,424 10 3
Ditto ditto in India ditto	0 0 0	0 0 0	27,762 10 6
Ditto under new Rules in England of their quarterly pensions, less 1-6th under Rule 7	2,129 14 9	1,064 15 4	0 0 0
Ditto ditto in India, ditto ditto	8,943 15 11	4,471 15 11	0 0 0
Interest	0 0 0	0 0 0	13,494 2 6
Transfer to Unappropriated Funds of the deduction of 1-6th from pensions under Rule 7	903 11 5	445 5 11	0 0 0
	11,977 10 1	5,982 5 2	3,42,681 7 3
Balance on 30th April 1852, Co.'s Rs. ...	2,23,509 1 4	1,50,121 9 3	13,05,318 8 9
Total Balance, Co.'s .	7,05,337 9 6	4,02,453 11 11	13,05,318 8 9

Total Balance, 30th April 1851	Rs.	21,35,380 1 1
Ditto, 30th April 1852	,,	24,13,109 14 2
	Increase, Rs.	2,77,729 13 1

Investment of above Balance.

In Treasury Notes at 8 per cent.	Rs.	17,61,525 10 2
,, Company's Paper at 5 per cent.	,,	2,64,129 14 3
,, Book Debt at 8 per cent., (since invested in Treasury Notes) ...	,,	2,49,130 8 1
,, Ditto at 4 per cent., (part since invested in Company's Paper)	,,	1,38,323 13 8
	Rs.	24,13,109 14 2

E. E. G. ADAMS, *Honorary Secretary.*

Resolved, that the admission of Mrs. Plowden and five children, and Mrs. Torrens and four children, to the benefits of the Fund by the Managers be confirmed.

Proposed by Mr. Colvin and seconded by Mr. Mackintosh, that Mr. Torren's son, born on the 10th April 1852, be admitted on payment of a fine of Rupees 50, and arrears of subscription with interest.

The Chairman in putting this to the Meeting, suggested whether under Article XVIII. the question should not be referred to the Subscribers at large; and whether it could be taken up at this Meeting, no notice under that Rule having been given previously.

It was therefore resolved, that the Managers be instructed to bring this case forward formally under Rule XVIII. after due notice.

The cases of the Subscribers who had incurred the penalty of Article VI. were then taken up *seriatim*, considered with their several representations, and decided upon as follows :

Resolved, that Mr. Watson's appeal, the object of which is the reversal of a resolution of a previous General Meeting, can not be entertained by this Meeting under Article XIX.

Resolved, that Mr. Edwards' son be admitted on payment of the minimum fine and arrears of subscription with interest, as required by the last clause of Rule VI.

Resolved, that Mr. Cocks' daughter be admitted on payment of the minimum fine and arrears of subscription with interest, as required by the last clause of Rule VI.

Resolved, that Mr. Raikes' wife be admitted on payment of the minimum fine and arrears of subscription with interest, as required by the last clause of Rule VI.

Resolved, that Mr. Malet's wife be admitted on payment of the minimum fine and arrears of subscription with interest, as required by the last clause of Rule VI.

Resolved, that it is necessary that Mr. Shaw should pay the fine incurred under the second clause of Rule VI.

Resolved, that the Accounts submitted be passed.

A memorandum by Mr. Beadon, on the state of the Fund, was ordered to be printed and circulated to Subscribers with the report of this Meeting.

Resolved, that the following Managers be elected for the ensuing year, *viz.*, Messrs. E. Currie, B. J. Colvin, E. A. Samuells, C. Beadon, and W. Grey.

Thanks were voted to the Chairman, and the Meeting separated.

MEMORANDUM.

The accounts for 1851-52 are presented in a somewhat different form from that in which they have been made up in past years, and seem to need particular explanation. The Managers have transferred 15 lakhs of the former unappropriated balance, bearing 8 per Cent., to a separate head of account on the appropriated side, this being rather more than one-half the actual value of the pensions outstanding under the old Rules. This leaves an actual balance of Rupees 7,34,160 at credit of the unappropriated Fund, of which Rupees 2,52,332 bears interest at four and five per Cent., and Rupees 4,81,828 at 8 per Cent. A further sum of two lakhs may now be transferred to the same separate head, leaving at credit of the unappropriated Fund a sum probably sufficient to meet two years' appropriations under the New Rules

The advantage of this arrangement is that the charges on the unappropriated Fund will now consist exclusively of establishment and contingent expenses, and the transfers annually made to the appropriated branch either on account of the deficiency under the old Rules, or to meet the values of Pensions newly accruing under the New Rules. On the other hand all Pension payments, whether under the old or new Rules, will be made, as they ought to be, from the appropriated branch.

The annual balance of the unappropriated Fund will now form a ready and convenient index of the progress of the Fund, and enable the Subscribers at once to see how far the income of the Fund falls short of, or exceeds its requirements.

But, for purposes of comparison with past years, and with the estimate formed by the Committee. it is necessary to show the account in the old form, as I have done in the subjoined calculation :

1851-52.

		Committee's Estimate.		Actual Result
Capital on the 1st May 1851...	Rs.	16,70,819	Rs.	19,44,855
Liabilities under old Rules ..	,,	3,18,337	,,	3,48,290
Income to meet the above.				
By interest	,,	1,33,665	,,	1,50,615
,, Court's Contribution ...	,,	25,600	,,	25,600
,, Subscriptions in part ..	,,	1,59,072	,,	1,72,075
Total ...	,,	3,18,337	,,	3,48,290
Appropriated under New Rules	,,	2,73,125	,,	2,36,123
Means of meeting the above.				
By Subscriptions in full ..	,,	1,88,979	,,	1,95,061
,, Ditto on furloughs ...	,,	2,863		
,, Deductions under Art. VII.	,,	5,258	,,	1,316
,, Subscription and Compn. of annuitants ...	,,	,,	,,	41,443
,, Payments under Article VIII.	,,	,,	,,	39,563
,, Fines under Article VI. ...	,,	,,	,,	1,000
,, Transfer from Capital	,,	76,025	,,	,,
Total .	,,	2,73,125	,,	2,78,383
Excess to be added to Capital	,,	,,	,,	42,260
Capital on 30th April 1852 .	,,	15,94,794	,,	*19,87,115
Deduct ...		..	,,	15,94,794
Excess above estimate .			,,	4,92,321

* At 4 per Cent. ..	2,52,332
8 per Cent. ..	17,34,783
	19,87,115

Appropriated Capital 30th April 1852—		
At 4 per Cent. ...	1,50,121	
At 8 ,, ...	2,23,509	
	3,73,630	

Although there is a considerable, and at present an increasing excess above the Committee's estimate, I cannot say that our prospects are so satisfactory as could be wished. Though only three families, instead of five, have come upon the Fund, yet, in consequence of the low rates of mortality assumed in Mr. Davies' tables, and the comparatively large amount of capital bearing the lower rates of interest, the amount appropriated is less only by Rupees 37,000 than the full amount supposed by the Committee to be necessary to meet the appropriation for five families. The valuation, in short, instead of being at 9½ years' purchase, as it is at Bombay, where nearly all the capital of the Fund bears interest at 8 per Cent., is practically made at nearly 12 years' purchase.

The liabilities under the old Rules have not decreased nearly so fast as the Committee calculated from the experience of past years, and the amount expended under this head, has been about Rupees 30,000 above the estimate.

Altogether, it may be observed that notwithstanding an increased income from unexpected sources, amounting to about Rupees 82,000, and the fortunate paucity of new incumbents, we have only added Rupees 42,260 to our capital. The apparent prosperity of the Fund is owing solely to the luck (if it may be so called) of there being less than the usual number of deaths among married and widower subscribers. If the average number of casualties were to take place, as they inevitably will in the long run, we should soon be reduced to the necessity of either increasing our subscriptions largely, or reducing the rate of future pensions. The reduction of *existing* pensions I look upon as quite out of the question.

Last year, acting on the advice of Mr. Davies, the Managers proposed that the additional income necessary to make good the value of the liabilities *under the old Rules*, should be raised by an uniform cess of ½ per cent. on the whole service, yielding about Rupees 40,000. This was not carried, because an amendment was successfully introduced at the General Meeting, relieving the unmarried men from their share of the additional burden. The amendment was not adopted by the service, but the original motion of course fell to the ground.

Again to make good the income necessary for the purposes of the New Rules, the Managers proposed, also on the advice of Mr. Davies, that fines should be levied on unequal marriages. This obviously fair proposal was defeated at the General Meeting by a negative amendment, and never went to the Service at all.

The Managers now await the report of Mr. Neison, long promised, before making any further proposal; but we may depend upon it that an additional cess of ½ per cent. on the whole service, with fines on unequal marriages, is the very least we require to make the Fund solvent, and that married Subscribers will probably have to submit to still further taxation.

By saying that we require a larger income to make the Fund solvent, I do not mean that we are at present altogether unable to meet the current expenses of the Fund, but we are meeting them out of capital and not out of income. If the constitution of the Indian Civil Service should be altered, or if any other unforeseen occurrence should happen, whereby subscriptions were to cease, and the affairs of the Fund were to be brought to a close, not only would the pensioners under the old Rules be unable to obtain more than three-fourths of their present pensions, but our wives and children, on behalf of whom we believe we are subscribing, *would not get a single farthing.* It is not so at Bombay, where they have an appropriated capital fully equal to the value of all existing liabilities, and an unappropriated capital more than equal to the value of those which are still contingent.

Since the New Rules came into force, the number of married and widower Subscribers has increased from 208 to 301; and the contingent liabilities, that is to say, the number of wives and children who are subscribed for, and who may at any moment come upon the Fund, have, during the same interval, increased as follows:—

		1850.	1852.	*increase.*
Wives	...	250	272	22
Daughters	...	378	410	32
Sons	...	406	462	56
Total,	...	1,034	1,144	110

It cannot be said that the pension of any one of these eleven hundred and forty-four persons is assured.

The actual value of existing liabilities under the old Rules, is shown by a calculation made in the Fund Office to be Rupees 24,39,878, and as the whole capital only amounts to Rupees 19,87,115, the deficiency to be made good on that score (exclusive of a margin of 5 or 6 lakhs necessary to carry on the current operations of the Fund), is still Rupees 4,52,763.

I respectfully commend these matters to the consideration of the service.

Proceedings of a Half-yearly General Meeting of Subscribers to the Bengal Civil Fund, held at the Town Hall on the 31st January 1854.

PRESENT:—Messrs. J. Dunbar, C. Allen, T. Bruce B. J. Colvin, G. D. Wilkins, T. K. Loyd, C. Beadon, A. R. Young, B. H. Cooper, R. H. Russel, St. G. Tucker, H. Pratt and J. A. Crawford.

J. DUNBAR, ESQ., *in the Chair.*

Read the following Report with statement of Accounts submitted by the Managers.

"The Managers submit the following cases for the consideration and decision of the Meeting.

"Subject to the approval of the Subscribers at this "Meeting they have admitted to the benefits of the "Fund, the two youngest Children, Daughter and Son "of the late Hon'ble James Thomason, who died at "Bareilly on the 27th of September 1853; and also "the youngest Children, Daughter and Son, of the "late Sir Theophilus Metcalfe, Bart., who died at Delhi "on the 3rd of November 1853.

"The cases of Messrs. W. H. Brodhurst and H. S. "Mackenzie, from whom fines have been levied of 50 "Rupees each under Rule 6, for not reporting their "marriage in due time, were submitted to the last "General Meeting, but for want of votes was left for "the decision of a subsequent Meeting.

"The Accounts for the year 1852-53 are submitted.

Abstract of the Accounts of the Bengal Civil Fund for 1852-53.

Unappropriated Funds.	Bearing Interest at 8 per cent.	Bearing Interest at other rates.	Bearing Interest at 8 per cent.	Deduct—	Bearing Interest at 8 per cent.	Bearing Interest at other rates.	Bearing Interest at 6 per cent.
By Balance 1st May 1852	4,81,828 8 2	2,52,332 2 8		To Transfer to Appropriated Funds,			
,, Interest	47,393 10 5	13,824 4 2		,, The above Donation for payment of Pensions under old Rules	25,600 0 0	0 0 0	
,, Subscriptions during the year	2,14,252 10 9	1,58,182 13 1		,, Value of Mrs. H. W. Torrens, three Daughters, and two Sons' pensions	49,306 12 10	35,639 14 10	
,, Payment by seven Annuitants to complete subscription balance of Rupees 25 000 ...	33,966 7 9	0 0 0		,, Interest thereon	2,794 0 9	1,009 12 9	
,, Composition payment by five Annuitants ...	0 0 0	21,751 7 7			77,700 13 7	36,649 11 7	
,, Contribution on Annuity by ten Annuitants ...	0 0 0	1,798 8 4					
,, Fine from eighteen Subscribers under Rule VI.	0 0 0	1,550 0 0		,, Refund of over-paid subscriptions ...	1,696 4 11	92 6 6	
,, Transfer from Appropriated Funds of deduction of 1-6th from pensions, under Rule VII.	1,232 8 10	609 6 10		,, Establishment, &c.	0 0 0	3,955 3 6	
,, Retransfer from Appropriated Funds under Rule XLIII.	55,298 0 0	27,649 0 0		,, Printing Bills	0 0 0	933 4 0	
,, Hon'ble Court's Donation paid to the Agents in England	25,600 0 0	0 0 0			79,397 2 6	41,630 11 7	
	8,59,571 13 11	4,77,697 10 8		Balance on 30th April 1853, Co's Rs....	7,80,174 11 5	4,36,066 15 1	

Abstract of the Accounts of the Bengal Civil Fund for 1852-53.

APPROPRIATED FUNDS.	Interest at 8 per cent.	Interest at other rates.	Interest at 8 per cent.
By Balance 1st May 1852	2,23,509 1 4	1,50,121 9 3	13,05,318 8 9
,, Interest	16,634 13 8	8,057 13 6	98,015 14 4
,, Transfer from Unappropriated Funds of the Donation for payment of pensions ...	0 0	0 0 0	25,600 0 0
,, Ditto, ditto value of new pensions granted to one family within the year ...	49,306 12 10	35,639 14 10	0 0 0
,, Interest	2,794 0 9	1,009 12 9	0 0 0
	2,92,244 12 7	1,94,829 2 4	14,28,934 7 1

DEDUCT—	Interest at 8 per cent.	Interest at other rates.	Interest at 8 per cent.
To Pensions paid in England under old Rules ...	0 0 0	0 0 0	2,87,580 2 6
,, Ditto in India ditto ...	0 0 0	0 0 0	17,698 0 0
,, Ditto in England under new Rules ...	4,259 13 6	2.129 14 9	0 0 0
,, Ditto in India ditto ...	2,200 0 0	1,100 0 0	0 0 0
,, Interest thereon	0 0 0	0 0 0	8,045 2 11
,, Transfer to Unappropriated Funds of the deduction of 1-6th from pensions under Rule VII.	1,232 8 10	609 6 10	0 0 0
,, Retransfer to Unappropriated Funds under Rule XLIII. the excess of assets held on account of pensions granted under the new Rules (assets Rs. 4,75,542—value Rs. 3,92,595—excess Rs. 82.947) over the valuation made as on 30th April 1853 ...	55,298 0 0	27,649 0 0	0 0 0
	62,990 6 4	31,488 5 7	3,13,323 5 5
Balance on 30th April 1853, Co.'s Rs....	2,29,254 6 3	1,63,340 12 9	11,15,611 1 8
Total Balance, Co.'s Rs....	10,09,429 1 8	5,99,407 11 10	11,15,611 1 8

Balance, 30th April 1852	Rs.	24,13,109 14 2
Ditto, 30th April 1853	,,	27,24,447 15 2
Increase	,,	3,11,338 1 0

Investment of above Balance.

In Treasury Notes at 8 per cent.	Rs.	18,25,144 12 8
,, Company's Paper at 5 and 4 per cent. (since transferred into 4 per cents.)	,,	3,27,672 5 2
,, Book Debt at 8 per cent. (since invested in Treasury Notes)	,,	2,99,895 6 8
,, Ditto at 4 per cent.	,,	2,71,735 6 8
	Rs.	27,24,447 15 2

E. E. G. ADAMS, *Honorary Secretary.*

"The Managers have in obedience to Article 43 of the "Rules calculated according to Davies' Tables, the "present value of the pending Annuities. The total "amount is £2,70,212 which at 2s. 1d. the Sicca "Rupee (the exchange allowed by the Hon'ble Court) "is equivalent to Co.'s Rs. 27,66,977. The actual "Capital of the Fund still falls short of that amount "by nearly a lakh of Rupees; but it may be hoped "that in another year the deficiency will be made up; "and that before the next quinquennial adjustment, "there will be an available balance of such amount as "will justify the Managers in transferring to the "Appropriated Branch the full value of the old pen-"sions, and thus putting the Accounts on a sound and "satisfactory footing.

Incumbent Liabilities.

73 Widows, under old Rules, present value		£	1,75,255
77 Daughters. ditto ...		,,	44,428
44 Sons, ditto ...		,,	12,190
		£	2,31,873
	or Rupees		23,74,382
6 Widows, under new Rules ...		£	20,848
13 Daughters, ditto ...		,,	13,226
6 Sons, ditto ...		,,	4,265
		£	38,339
	or Rupees		3,92,595
	Total	£	2,70,212
	Total, Rupees		27,66,977
Capital	Co.'s Rs.		27,24,448
Less, a deposit	,,		52,364
	Co.'s Rs.		26,72,084
Present Value of Incumbent Annuities	,,		27,66,977
Deficiency	Co.'s Rs.		94,893

"Meanwhile they feel justified in postponing any "demand on the Subscribers for extra cesses: the "capital of the Fund has increased during the last 4 "years from 18½ lakhs to 26¾ (excluding in both cases "a deposit of half a lakh), while during the same "period the liabilities, as shown by the number* of "Annuitants, have not increased at all, but rather "decreased.

	W.	D.	S.	Total.
1849-50*	80 +	89 +	60 =	229
1850-51	81 +	84 +	56 =	221
1851-52	82 +	89 +	58 =	229
1852-53	79 +	90 +	50 =	219

"When Messrs. Davies and Neison suggested some "extra payments there was a deficiency of capital to "meet existing liabilities to the extent of above 6 "lakhs; this deficiency has almost vanished, and "there is every reason to expect that funds will be "available for all new liabilities.

"The Managers are borne out in this view by the "results of the valuation of the *Contingent* Liabilities "of the Fund, which Article 44 of the Rules requires "to be made at the same time, *viz.*, 30th April 1853. "The Contingent Liabilities on account of the Wives "and Children of existing Members, including retired "Members, (following Neison's process of calculation "and adopting rates from Davies' Tables) amount to "Co.'s Rs. 40,03,066.

"While the value of the *Assets* of the Fund, "(calculated as above, and on actual receipts "of 1852-53,) arising from subscriptions, "Donation, Composition payments, Minima, "&c., is estimated at Co.'s Rs. ...		46,08,848
"Leaving a surplus of Assets	Rs.	6,05,782

Contingent Liabilities.

The present value of contingent benefits to 256 Wives of Subscribers in the Service ...				£2,22,832	2	0
Ditto 34 Wives of Retired Members ...				,, 32,413	0	0
				£2,55,245	2	0
Ditto 450 Sons of Members in the Service ..	39:446	0	7			
Ditto 378 Daughters of do.	71,386	5	2			
				1,10,832	5	9
Ditto 46 Sons of Retired Members ...	3,708	12	7			
Ditto 48 Daughters of do.	10,178	7	2			
				13,886	19	9
				£ 3,79,964	7	6
or at 2*s.* 1*d.* per Sicca Rupee Co.'s Rs. ...				38,90,835	0	0
and for management charges Rs. 7,000 × 16·033 = " ...				1,12,231	0	0
Total Liabilities, Co.'s Rs.				40,03,066	0	0

Present value of Assets.

Value of Ordinary Subscription at 2½ per cent. from Married Subscribers, Rs 1,41,564 × 8·222, ...	11,63,939	0	0
Ditto of Additional Subscription for Wives at 2 per cent., Rs 1,13,251 × 11·400, ...	12,91,061	0	0
Ditto of Additional Subscription for Children, Rs. 44,931 × 9·630 ..	4,32,685	0	0
Ditto of Ordinary Subscription at 2½ per cent. from Unmarried Subscribers, Rs. 72,688 × 9 630 ...	6,99,985	0	0
Ditto of Payments to make up Rs. 25,000, Rs. 33,966 × 10·030	3,40,679	0	0
Ditto of Composition Payment from Annuitants, Rs. 21,751 × 14·323 ..	3,11,757	0	0
Ditto of Hon'ble Court's Donation, Rs. 25,600 × 10·030 ..	2,56,768	0	0
Ditto of Minima or ⅓ from Pensions, *viz.*, Rs 10,000, of which ⅔ = 6,667 × 9·630 and ⅓ = 3,333 × 14.333 ..	1,11,974	0	0
Total Assets, Co.'s Rs.	46,08,848	0	0

An election of Managers for the ensuing year then took place, when Messrs. E. Currie, B. Colvin, W. Grey, W. Maples, and J. A. Crawford, were duly elected.

Proposed by Mr. Beadon and seconded by Mr. Colvin,—that the fine levied on Mr. Brodhurst for not reporting his Marriage be not remitted.—*Carried Nem. Con.*

Mr. Dunbar having been obliged to leave the Meeting, Mr. Colvin was requested to take the Chair.

Proposed by Mr. Wilkins and seconded by Mr. Pratt,—that the fine levied on Mr. Mackenzie for not reporting his Marriage be not remitted.—*Carried Nem. Con.*

The Proceedings of the Managers relative to the admission to the benefits of the Fund of the two youngest children of the late Hon'ble James Thomason, and also the youngest children of the late Sir T. T. Metcalfe, Bart., were confirmed.

A memorandum submitted by Mr. Beadon on the state of the Fund and its prospects, was ordered to be printed with the Proceedings of this Meeting.

Proposed by Mr. Beadon and seconded by Mr. Bruce that the Accounts should be passed, subject to reconsideration of the Managers in respect to the transfer of Rupees 82,947 from the Appropriated to the Unappropriated Fund.—*Carried Nem. Con.*

Proposed by Mr. Beadon and seconded by Mr. St. G. Tucker, that the Managers be requested to bring forward at an early Meeting a proposition for adopting the measures recommended by Mr. Neison.

Proposed as an amendment by Mr. C. Allen, that the Report of the Managers be received and approved, —*Not Carried.*

The original proposition was then put and carried.

Thanks were voted to the Chairman, and the Meeting separated.

MEMORANDUM.

The Accounts of 1852-53, now presented by the Managers to the Service, show a progressive improvement in the balance at credit of the Fund; though I am compelled to say that this improvement is owing to the continued operation of accidental and temporary causes, and must not be regarded as indicative in any degree of that stability which an Institution like the Civil Fund ought to possess, and which the Subscribers are bound, in justice to their families to ensure.

The pensioners under the New Rules, the value of whose pensions has been fully appropriated, and is represented by the balance shown in the first two columns of the Accounts of the "Appropriated Fund," are, so far as sufficiency of assets goes, quite secure. Whatever happens to the Fund they are sure of their pensions for life or so long as the Rules of the Fund profess to assure them, that is to say, provided the appropriation has been made on sound principles which we believe to be the case, and *Provided this portion of the Funds is sacredly regarded as the exclusive property of those pensioners for whose benefit it has been appropriated*, and not under any circumstances available to any extent for any other purpose, except as provided for in Article XLIII. On this latter point, however, it must be confessed that the pensioners have not, as they ought to have, full legal security. The wives and children of our deceased fellow-servants are, and our own wives and children will be, in spite of our heavy subscriptions, at the mercy of future Managers and Subscribers. This surely ought not to be. Funds once appropriated ought to be beyond reach, and their diversion from their only legitimate object should be completely barred by a formal trust deed, or some other legal obligation of that kind

I make this observation with reference to one feature in the Accounts which, though in other respects gratifying, appears to me highly objectionable as bearing on the interests of pensioners. The Managers, finding that the sum at credit of the appropriated Fund representing the value of the *new* pensions is in excess of their actual present value, have re-transferred the sum of Rs. 82,947 to the *unappropriated* Fund. But this ought not to have been done until the present values of the *old* pensions had also been fully appropriated. The Rules recognize but one appropriated Fund, and so long as its total amount is less than the whole present value of all existing pensions old and new, no re-transfer ought to be made. The sum in question might have been properly transferred from one column of the appropriated Fund Accounts to another, but to take it altogether from the appropriated Fund and to re-credit it to the unappropriated Fund seems to be a virtual infringement of the Rules, and a very dangerous precedent.

With regard to pensioners under the old Rules, the case is less satisfactory. The capital available for the payment of the pensions under the old Rules, has, it is true, increased from Rs. 18,51,341 on the 1st May 1850, to Rs. 22,79,488 on the 1st May 1852, and it is equally true that the *present value* of those pensions has decreased by lapses and advancing age from about 24¼ to about 23¾ lakhs of Rupees; but still the capital is not yet equal to this reduced present value, and therefore the pensions are not fully assured, the incumbents being still dependent for the permanence of a portion of their pensions on current subscriptions.

This, it may be said, will soon be remedied by the progressive increase of capital, upon which we have had to congratulate ourselves for the last three years. We have had an increase of Rupees 93,514 in 1850-51, of Rupees 42,260 in 1851-52, and of Rupees 2,09,426 in the past year, exclusive of the re-transfer in adjustment from the appropriated Fund to the amount of Rupees 82,947. This prosperity may continue. But what is the prospect of its continuance? During those three years the mortality among Subscribers has been less than in any three years of the Fund's existence, less than the most sanguine assurers ever dreamed of calculating upon. As sure as nature a re-action will come. We are reminded indeed by the number of recent casualties among Subscribers that it is already at hand. The average of families coming on the Fund during the ten years preceding the introduction of the New Rules was 5. During the three past years, the average has been little above 2. Meanwhile the number and extent of our contingent liabilities are rapidly increasing, and it is obviously probable almost

to certainty* that in the current and future years we must trench upon this capital for appropriating the value of new liabilities

Still worse is the case of the wives and children of living Subscribers. Yearly† they are increasing in number, but their pensions are not insured to the extent of a single farthing. While we are subscribing largely and cheerfully for the support of the families of our deceased fellow-servants, we are doing nothing for our own. They will be left to the charity of our successors, and who can tell how long we may have successors who will be either willing or able to support them. During the late Parliamentary discussions the existence of the Civil Service, as a separate and exclusive body hung upon a thread, and its dissolution (so anxiously desired by many) may now at any time be decreed by Parliament. Will an open Civil Service, bound by no covenant, support such a Civil Fund as ours and pension our wives and children on the same liberal terms that we now afford? Ought we to leave our families exposed to such a chance? It is not so at Bombay. The Civil Service there have a Fund of which the capital is enough, not only to assure fully the pensions of existing Incumbents, but to ensure pensions to the wives and children of all living Subscribers, even though the Civil Service were to be abolished to-morrow, and all subscriptions were to cease. It ought to be the same in Bengal.

The best if not the only practicable way to accomplish this is to submit to an increased assessment all round of 1 per cent. on our salaries, and to impose fines on unequal marriages. Both these measures have been recommended by the Managers and by two Actuaries, and it is suicidal not to adopt them. I trust the Managers will take early steps to bring these questions again before the Service.

The Returns prepared in the Fund Office show that the present value of our contingent liabilities is 40 lakhs of Rupees, and to that amount I say that the Fund is conditionally insolvent. By capitalizing all sources of current income the Returns show assets to meet these liabilities amounting to 46 lakhs of Rupees. But capitalization presupposes permanency of income, and it cannot be too strongly impressed upon Subscribers that our income, based upon salaries and not upon the value of benefits assured, is not a permanent one, or one upon which the least dependence can be placed to assure pensions to our families at all equal to the pensions we now freely provide for the families of our deceased fellow-servants To be perfectly secure we ought to have an unappropriated capital of 40 lakhs of Rupees, and current subscriptions would then be limited to the amount necessary for the annual increase in the value of contingent liabilities until they reach a maximum, and for the annual conversion of contingent into actual liabilities. We now raise by contributions of all sorts (exclusive of interest and the Court's donation) an annual income of Rupees 4,43,000; but, if we had a sufficient capital, the current contributions might be reduced to Rupees 2,40,000 and *that* is the end, which, if we desire to make the Fund solvent, we should steadily aim at.

I subjoin, as I have done in former years, a comparative statement of the actual operation of the Fund, and the estimate formed by the Committee in 1849. The actual capital (after deducting all appropriations for pensions under the New Rules,) is more than the estimated capital by Rupees 7,57,327, a result attributable solely to the paucity of casualties since the time at which the New Rules came into force.

	Committee's Estimate.	*Actual Result.*
Capital on the 1st May 1852...	Rs. 15,94,794	Rs. 19,87,115
Liabilities under old Rules..	,, 3,11,492	,, 3,11,955

* I have since ascertained that the present value of the liabilities, that have accrued during the *first nine months* of the current year is £29,577 or Rs. 3,69,629. There is therefore no doubt left that we *must* encroach upon our capital for the appropriation of the year.

†

	Wives.	*Daughters.*	*Sons.*	*Total.*
1850	250	378	406	1034
1851	263	397	441	1101
1852	272	410	462	1144
1853	290	426	496	1212
Increase in 3 years...	40	48	90	178

Present value of contingent liabilities in 1850 estimated by Mr. Davies	Lakhs 30
Present value of contingent liabilities in 1853 estimated by the Managers	,, 40
Increase ...	,, 10

Income to meet the above.				
By Interest	Rs.	1,27 583	Rs.	1,47,385
,, Court's Donation	,,	25 600	,,	25,600
,, Subscriptions in part ...	,,	1,58,309	,,	1,38,970
Total ...	Rs.	3,11,492	,,	3,11,955
Appropriated under New Rules	,,	2,73,125	,,	84,946
Means of meeting the above.				
By Subscriptions in full ...	,,	1,89,742	,,	2,33,464
,, Ditto on furlough ...	,,	2,863		
,, Deductions under Art. VII. ...	,,	7,887	,,	1,842
,, Subscription and composition of annuitants .	,,	.....	,,	23,550
,, Payments under Art VIII.	,,	.. ...	,,	33,966
,, Fines under Art. VI. ...	,,	.....	,,	1,550
,, Re-transfer from Appropriated Funds under Rule 43	,,	.....	,,	82,947
,, Transfer from capital ...	,,	72,633	,,	,,
Total ...	Rs	2,73,125	,,	3,77,319
Excess to be added to capital...	,,	.....	,,	2,92,373
Capital on the 30th April 1853	,,	15,22,161	,,	22,79,488
Deduct ..			,,	15,22,161
Excess above Estimate ...		...	,,	7,57.327

Proceedings of a Half-yearly General Meeting of Subscribers to the Bengal Civil Fund, held at the Town Hall on the 31st July 1854.

PRESENT :—Messrs. E. Currie, W. Bracken, C. Allen, B. J. Colvin, H. B. Harington, G. A. C. Plowden, H. G. Hamilton, Hon'ble E. Drummond, T. C. Loch, A. R. Young, H. P. B. Riddel, G. Campbell, J. W. Dalrymple, C. T. Buckland, C. P. Hobhouse and J. A. Crawford.

B. J. COLVIN, ESQ., *in the Chair.*

Read the following Report submitted by the Managers :

"The Managers submit the following cases for "the consideration and decision of the Meeting. "Subject to the approval of the Subscribers at this "Meeting, they have admitted to the benefits of the "Fund the following families :

"The widow and two daughters of the late Mr. J. "C. Brown, who died at Calcutta on the 15th January "last.

"The six children, five daughters, and one son, of "the late Mr. Frederic Cardew, who died at Allahabad "on the 19th September last.

"The widow of the late Sir H. M. Elliot, who died at "the Cape of Good Hope on the 20th December last.

"The widow and three children, two daughters and "one son of the late Mr. R. R. Sturt, who died at "Monghyr on the 1st March last.

"The widow and eleven children, seven daughters "and four sons, of the late Mr. G. H. M. Alexander, "who died at Sydney on the 19th October last.

"The widow of the late Mr. Charles Smith, (Annui-"tant of 1st March 1837) who died at the Cape of Good "Hope on the 2nd January last, admitted under the "*old* Rules, the deceased having, before retirement, "made up the prescribed sum of Rupees 25,000.

"The widow and five children, three sons and two "daughters, of late Mr. W. Maples, who died in Cal-"cutta on the 18th May last.

Mrs. Brown, yearly	£ 300	0	0
Two children	,, 200	0	0
	£ 500	0	0
Mrs. Cardew's six children, yearly ..	£ 540	0	0
Lady Elliott, yearly	£ 300	0	0
Mrs. Sturt, yearly ...	£ 300	0	0
Three children	,, 300	0	0
	£ 600	0	0
Loss, ⅙ under Rule 7	,, 100	0	0
	£ 500	0	0

Mrs. Alexander, yearly ...	...	£ 300	0 0
Eleven children ...	...	,, 810	0 0
		£ 1,100	0 0
Less, ⅛ under Rule 7 ...	...	£ 185	0 0
		£ 925	0 0
Mrs. Smith, yearly	..	£ 400	0 0
Less, private income ..	...	,, 318	0 0
		£ 82	0 0
Mrs. Maples, yearly ...	...	,, 300	0 0
Five children	...	,, 230	0 0
		,, 530	0 0
Less ⅛th under Rule 7 .	...	,, 88	6 8
		£ 441	13 4

"The Meeting in January last referred to the Managers for re-consideration the propriety of the transfer "of Rupees 82,947 from the Appropriated to the Un-"appropriated Fund in the Accounts then submitted. "The Managers were also requested to bring forward "a proposition for adopting the measures recommended "by Mr Neison. The transfer referred to was made "under Rule 43, and in accordance with the intentions "of the framers of the Rules, thus expressed: "Your "Committee recommend that these three Rules (42, "43, and 44) be at present made applicable only to those "liabilities which will accrue under the proposed plan "on and after the 1st January 1850." The suggestion "made in Mr. Beadon's memorandum to transfer "the sum to the 3rd column of the Appropriated Fund "could not be acted upon, because that column re-"presents a distinct account bearing interest a 8 per "cent., and applicable to *old* pensions, whilst the sum "in question was the excess in the value of *new* pen-"sions, and belongs to another account, bearing interest "in part at 4 per cent. This 4 per cent. account, in-"deed, is applicable exclusively to the wives and child-"ren of living Subscribers, whose pensions are "therein assured to the extent of Rupees 4,36,066 "(overlooked in Mr. Beadon's memo.) which is steadily "increasing by the "additional" subscriptions of Sub-"scribers, and no part of this account has ever been, "or can be transferred to the account of *old* pensions."

"It was stated in the last Report that the Capital of "the Fund falls short of the present value of all the "existing Annuities, by less than a lakh of Rupees, and "that this deficiency is being gradually made up. It "was also shown that the contingent liabilities are "fully provided for, by the value of the assets upon "the principle of calculations adopted by the Ac-"tuaries. In this state of the accounts, the Managers "did not feel justified in calling upon the Subscribers "for increased contributions, and they continue of the "same opinion. It is true that Mr. Neison made his "calculations on the assumption, that a recommen-"dation of certain Members of the Revising Com-"mittee, (which was rejected by the Meeting of the "30th March 1852,) had been adopted, and that the "subscriptions were ½ per cent. higher than they really "are; but he fell apparently into other misapprehen-"sions, the general result of which was to decrease "unduly the value of the assets and increase that of "the liabilities. The Managers therefore prefer to "base their estimate of the requirements of the Fund "upon the actual progress made in raising the Capital "to an equality with the value of the existing annuities; "and the sufficiency of the value of the annual in-"come, calculated in the manner prescribed by the "Actuaries to provide for the contingent liabilities."

Proposed by Mr. Hamilton and seconded by Mr. Campbell,—That the report of the Managers be received and adopted, and their Proceedings be approved.

Carried.

Messrs. H. B. Harington and A. R. Young were unanimously elected to fill the vacancies in the Management which have occurred since the date of the last General Meeting.

A vote of thanks was passed to the Chairman.

Letter to the Secretary to the Government of India, Financial Department, dated 13th January 1855.

I am directed by the Managers of the Civil Fund to acknowledge the receipt of your letter of the 2nd instant, No. 5, requesting them to submit, for the information of the Honorable Court of Directors, any observations they may desire to offer in respect to Mr. Tucker's memorial. In reply, I am instructed to state that the Managers have no wish to make any further observations on that memorial, as they conceive that this Office letter of the 7th ultimo, and the papers submitted with it, contain a sufficiently full explanation of their proceedings in the matter to which the memorial relates.

Extract from the Proceedings of a Half-yearly General Meeting of Subscribers to the Bengal Civil Fund, held on the 31st January 1855.

"The operation of the new Absentee Rules will, it is believed, cause a slight diminution in the receipts from contributions on salaries and allowances of Subscribers. Under the Absentee Rules of 1843, contribution was levied, not upon the sum *actually received* by a sick absentee, but upon the nominal salary of his office, besides which contribution was also levied upon the deputation allowance received by the person acting for the absentee. It was not long ago brought to the notice of the Managers that the principle on which these contributions were levied was unsound and not borne out by the Rules, which say, that 'the Subscribers shall contribute, from the 1st January 1850, at the following rates of percentage on their salaries and other authorized public emoluments,' and that although the objection was of little practical importance so long as the old Rules were in force, under which a sick absentee received a very large proportion of his salary, the case was very different when the new Rules, under which £1,000 per annum is the largest income that can be drawn by an absentee, came into operation. On a full consideration of the question, the Managers determined that, in accordance with what seems a fair construction of the Rule, and with the practice invariably observed as regards contributions to the *Annuity* Fund, subscriptions to the Civil Fund ought to be calculated only upon the sums *actually received* by Subscribers. The loss to the Fund by this process cannot possibly, it is calculated, exceed Rupees 12,000 a year, and will probably be very much less.

A Rejoinder by Mr. C. Beadon upon the present state of the Civil Fund, referred by the General Meeting of the 31st January 1855, to the Managers of the Bengal Civil Fund for their consideration and report.

These are the considerations which lead me to think that we require not only—(1) a Contingent Fund to meet unusual risks, such as every Insurance Society is exposed to, but (2) a large Contingent Fund, such as they have at Bombay, to secure to our families the advantages for which we profess to subscribe.

II.—Of the extent of this Fund I need say little.

1. If only a small and ordinary Contingent Fund were necessary, I think it ought not to be less than the average appropriation of a year. Supposing our annual average appropriation to be

Rupees 3,30,000, and our income just sufficient to provide it, we ought to have a reserve of at least Rupees 3,30,000 to meet a year of unusual mortality such as in a long course of operations will sometimes inevitably occur. The Reserve Fund of the Laudable Assurance Society is, as I have said, above Rupees 8,00,000, and their risks, I believe, are much less than ours.

2. But if it be thought necessary to provide a Contingent Fund, such as I deem essential to the security of the families of Subscribers to the Civil Fund, then I say it ought not to be less than the full value of all our contingent liabilities. And here I must remark, with reference to a misapprehension which I find generally prevailing on the subject, that the value of a liability while contingent is little more than one-fifth of the value of the same liability when it becomes actual, and that whereas the total value of a reversionary pension of £1 to each of 263 wives amounted, according to Mr. Neison's calculation, to £546, the total value of an actual pension of £1 paid to 79 widows amounted, by the same calculation, to £723. The provision and maintenance of such a Fund would, therefore, by no means relieve future Subscribers from the necessity of contributing. They would not only have to keep up the Contingent Fund to a level with the value of the constantly increasing number of contingent liabilities, but they would have to provide for the annual conversion of contingent into actual liabilities as families come upon the Fund in consequence of the death of Subscribers.

Supposing the Contingent Fund to amount eventually to 40 lakhs of Rupees (less in proportion than the Bombay Contingent Fund,) the interest of such a Fund (say at 5 per cent.,) would be Rupees 2,00,000 (two lakhs), and that is the amount by which their subscriptions would be eventually reduced. The Bombay Subscribers, though in possession of a very ample and indeed an excessive Contingent Fund, still subscribe at the rate of 3 per cent. for married men, and 2 per cent. for bachelors. Let me, however, guard myself against the probability of its being supposed that I wish to incur for myself, or to throw upon other contemporary Subscribers, the burden of providing the whole or any considerable part of such a sum as this. All I desire is that our average income should be so far permanently and beyond question in excess of our average expenditure, that the means of forming such a Fund may exist and gradually improve until the desired result shall, after a lapse of years, be attained. A permanent surplus of Rupees 50,000 would, I think, sufficiently provide for this object. If the Managers and Subscribers are satisfied that such a Contingent Fund as I contemplate is necessary, and that we have not at present a permanent surplus income to create it, they will probably think it advisable to impose a further small percentage on salaries. If they think that such a Fund is necessary, but that our present income is enough to provide a surplus for creating it, then they will not submit to any further taxation. But if they come to the conclusion at which Mr. Allen seems to have arrived, that no such Fund is necessary, and that our present income is sufficient to create it, if it were necessary, then, as soon as we possess a capital equal to the full value of existing liabilities, I suppose the present subscriptions will be reduced.

Letter from the Financial Secretary, No. 547, dated 2nd February 1855.

I am directed to acknowledge the receipt of your Honorary Secretary's letter, dated the 13th ultimo

and in reply to inform you that a copy thereof, with a copy of his letter dated 7th December last, and its accompaniments, will be transmitted for the information of the Honorable Court of Directors.

Letter from the Secretary to the Government of India, to the Managers of the Bengal Civil Fund, dated 10th June 1856.

With reference to the letter from this Department, No. 547, dated the 2nd February 1855, and to the letters therein mentioned, I am directed by the Governor-General in Council to forward for your information copy of a Despatch from the Honorable the Court of Directors, No. 34 of 1856, dated the 25th April.

Extract from a Despatch from the Honorable the Court of Directors, to the Governor-General in Council, dated 25th April 1856.

1. When it was first intimated to us, that the Members of the Bengal Civil Fund were about to modify the constitution of the Fund, so as to admit of the pensions being granted without reference to the private property of the individuals, we offered no objection to the measure, but we observed that, before so important a change in the constitution of the Fund was allowed, the scheme on which it was based should have the approval of an experienced Actuary, who should be particularly instructed to see that security is provided for the existing obligations of the Fund.

2. We also expressed our opinion, that no pension should be granted under the new Rules until the soundness of the scheme has been verified by the report of an Actuary.

3. These precautions were however disregarded, and the new Rules were brought into operation from 1st January 1850, which we considered premature, and in our Despatch, dated 29th January 1851, No. 6, we stated that we must decline to be parties to the new scheme until we are in possession of the Actuary's report.

4. The Managers of the Fund having referred the scheme, with the new Rules, for the consideration of an Actuary, the late Mr. Griffith Davies, we find that he reported thereon in June 1851, and that he recommended an increase in the rates of subscription, and the imposition of fines in cases of disparity of ages on marriage of more than five years.

5. Mr. Davies' report was referred to a Committee, of three members of the Fund (Messrs. E. Currie, J. P. Grant, and Cecil Beadon,) for examination, and they suggested that it would "be proper to adopt immediately that part of Mr. Davies' recommendation which would raise the contribution of the whole Service from 2½ to 3 per cent., by which means unquestionably the deficit in the capital will be made up, and the objects of the old Fund permanently provided for.

6. A proposition to this effect was accordingly submitted to a Special General Meeting of Subscribers held on 30th March 1852, but it was defeated by the adoption of an amendment, which had for its object the levying of a still larger contribution on the married, and of a smaller one on the unmarried, members of the Fund, than the original proposition contemplated.

7. The proposition, that fines should be levied on unequal marriages was also negatived, and as the proposition for altering the rates of subscription embodied in the amendment was required by the Rules of the Fund to be circulated for the votes of the Service at large, the final result was a disapproval of the amendment also; the rates

of subscription established in 1850, which the Actuary deemed insufficient, therefore remained unaltered.

8. The Service, however, adopted Articles 5 and 8 of the Rules as revised, the former levying a small contribution on married and widower Subscribers for securing the benefits of the Fund to their children, and the latter for obtaining a minimum payment, including interest of Rupees 25,000 to the Fund from Subscribers on their retirement on Annuities from the Civil Service Annuity Fund.

9. The above proceedings were reported to the Subscribers at the half-yearly General Meeting, held 31st July 1852, whereupon the Managers determined to await the result of a reference which had been made to another Actuary (Mr. Neison) on the affairs of the Fund. His report, which is dated 14th December 1852, the Managers considered, "took on the whole a more favourable view of the state and prospects of the Fund," and on a review of the Accounts of the first quinquennial adjustment, under Rules XLIII. and XLIV., the Managers came to the conclusion that no increase of contribution was at present necessary.

10. It is important here to notice that Mr. Neison's calculations are based on the assumption that the rates of subscription suggested by Mr. Davies would be adopted, which hitherto has not been the case. Allowing for this and other circumstances adverted to in Mr. Neison's Reports, we are not prepared to admit that his view of the state and prospects of the Fund is more favorable than that of Mr. Davies.

11. Nor should it be overlooked in the consideration of that important question, that the late Mr. Davies, in *Addenda* to his Report, on finding that the rate of interest which he had assumed on the additional subscriptions would not be allowed, recommended, "in order to place the Fund on a solid foundation," that the subscriptions should be increased to 3¼ per cent. on the salaries of the whole Service, with 3¼ per cent. additional on the salaries of married members; and yet the low rates of 2½ and 4½ per cent., respectively, are permitted to continue without any appeal from the Managers to the Subscribers of the Fund to increase them.

12. It is true that, at the first quinquennial adjustment of the Fund in April 1853, the balance proved larger than had been estimated, and that it has subsequently increased; but we cannot regard this improvement in the Cash Balance, which the occurrences of any subsequent year or years, and the additional demands under the new Rules may alter, as affording a sufficient justification on the part of the Managers for the neglect of what we consider an imperative duty to call on the members of the Fund to increase the rates of subscription to the extent at least of ½ per cent., which both Actuaries considered necessary.

13. This measure has, moreover, been strongly recommended by the Committee appointed to examine the late Mr. Davies' Report. We, therefore, can have no reliance, that the objects of the Fund will be permanently provided for, unless it be adopted. You will accordingly intimate to the Managers our desire that the proposition of the Committee for increasing the rate of subscription ½ per cent. on the salaries of the whole of the Service be again submitted for the votes of the members of the Fund with the Committee's recommendation in favor of its adoption.

14. You will also request the Managers to take an early opportunity to set apart from the Cash Balance, as "appropriated Funds," the value of the whole of the existing Annuities and other incumbent liabilities of the Fund, and to credit to this

head the value of every subsequent annuity as soon as it is granted.

15. We likewise consider it necessary, as a safeguard against possible reverses, that the annual income of the Fund should be considerably in excess of its annual expenditure: and although we do not concur in the views expressed in Mr. Beadon's memorandum of 31st January 1854, as to the extent to which he considers it desirable to raise the unappropriated capital of the Fund, we are of opinion, that it ought to equal a moiety of its contingent liabilities, and that the surplus annual income should be such as would produce this amount within a reasonable period.

Letter from the Secretary to the Bengal Civil Fund, to the Secretary to the Government of India, dated 25th September 1856.

I have the honor, by direction of the Managers of the Civil Fund, to acknowledge receipt of Mr. Secretary Lushington's letter No. 2756, dated 10th June last, forwarding, for the information of the Managers, copy of a despatch from the Honorable Court of Directors, No. 34 of 1856, dated the 25th April.

2. In reply, I am directed by the Managers to state that the subject of the Honorable Court's despatch, the sufficiency, namely, of the income of the Civil Fund, to provide for all the objects contemplated by the new Rules, has so constantly been the subject of careful enquiry and discussion with them, and the progressive results of the Fund's operations have been so closely watched, that they trust the representations they are now about to make of the Fund's operations, condition, and prospects, will meet with consideration; and that the Honorable Court will see fit, under the present altered position of the Fund, to accord their sanction to the scheme, without requiring as condition any increase (for the present at least) to the existing rates of subscription.

3. I am directed, in continuation of the printed papers forwarded for transmission to the Honorable Court with Mr. W. Gordon Young's letter, dated 7th December 1854, to submit the following, *viz.*, Report of Proceedings of Half-yearly General Meeting, held on 31st January 1855, ditto on 31st July 1855, ditto on 30th January 1856, and a printed paper containing a Resolution of the Managers of the 22nd August 1855, with Memoranda by Messrs. Beadon and Allen. All the above papers will show that the question of the sufficiency of the Fund's income has been from time to time brought prominently before Subscribers at the General Meetings of members of the Fund.

4. Before proceeding to apply Messrs. Davies' and Neison's process of valuation to the present state of the Fund, I am directed to point out an important error in Mr. Neison's estimate of the Fund's contingent liabilities, after allowing for which the Managers will probably be held to have been justified in reporting to the Government, on 7th December 1854, that they considered that Mr. Neison's report took, on the whole, a more favorable view of the state and prospects of the Fund.

5. The error alluded to will be found in the 33rd and 34th pages of Mr. Neison's Report, where he calculates the values of reversionary pensions for the wives of 263 married Members and 27 retired annuitants, and for 454 sons of married members and 56 sons of retired annuitants, and for 434 daughters of members and 66 daughters of retired annuitants; the fact being that, in each case, the numbers set down as for retired annuitants are included in those for married members, and the valuation on account of the wives and children of annuitants are, therefore, taken twice

over. The above will be evident on a reference to Appendices XII. to X V. of Mr. Davies' report, from which the figures are taken, and to paras. 39 and 40 of the same report.

6. The result, after applying the necessary correction to the above error, is to reduce the value of the gross contingent liabilities from Rupees 30,29,805 to Rupees 26,27,605, or excluding the wives and children of annuitants retired previous to 1850, to Rupees 22,25,405, a difference which is considerably greater than the difference between the values of contributions on the scale of 3 and 5 per cent. which Mr. Neison has assumed, and of 2½ and 4½ which have actually been in operation. Mr. Neison, at page 43, has valued future contributions at Rupees 30,45,048, but if the valuation on the same principle be corrected for 2½ and 4½ rates, it will be found to be equal to Rupees 26,81,881. The comparative difference above pointed out is noted :—

Contingent Liabilities as stated by Mr. Neison	30,29,805.
Do after correction	26,27,605.
Difference	4,02,200.
Value of 3 and 5 per cent. rates (see Mr. Neison's Report page 43)	30,45,048.
Value of 2½ and 4½ rates on same principle ...	26,81,881.
Difference	3,63,867.

7. The importance of the above consideration as affecting the necessity of an increase of rates from 2½ and 4½ to 3 and 5, does not require to be insisted on, but it does not in fact point out the whole over-estimate in the contingent liabilities, as there was good reason for believing (and subsequent experience has tended to justify the belief) that but few of the families of the annuitants retired before 1850 would come upon the Fund, and those who have, and will hereafter become pensioners of the Fund, will receive not the present, but the old scale of benefits, the pensions, namely, being subject to deductions on account of private income, a considerable reduction might very fairly have been made on this account. Mr. Davies, from the above consideration, omitted altogether the families of annuitants retired previous to January 1850 from his estimate of contingent liabilities.

8. In the estimates which I am now about to offer of the present state of the Fund calculated as closely as can be done, without very considerable delay on the principles adopted by Messrs. Neison and Davies, it will, it is hoped, satisfactorily appear that the Fund's income is sufficient to meet all its engagements, while confirmation will be afforded of the correctness of the Managers' opinion, that Mr. Neison's Report was more favorable than that of Mr. Davies. It will be observed, that 5 per cent. has been assumed on the additional income. This, with reference to the 11th para. of the Honorable Court's despatch, seems to call for explanation; the difference appears to be in a measure counterbalanced by the two-fold consideration: *first*, that from the circumstance of a considerable portion of the additional capital having been invested in the 5 per cent. Public Works Loan, and the greater part of the remainder at favourable rates, in 4 per cent. Government Promissory Notes, the result has been to make the income from interest equal to nearly 4½ per cent. on the total amount actually invested; and, *secondly*, that although the Funds are more favorably invested, the valuation of that portion of existing pensions, which is chargeable on the additional funds, has been made at 4 per cent. The correction necessary (after allowing for the

above consideration) for the fractional difference in the interest rate between 5, and the actual rate nearly 4½, must be very small, and, has not therefore, been taken into account.

9. The latest available returns show that the number of wives and children, for whose reversionary pensions the Fund is liable, is as follows :—

	Of Members in the Service.	*Of Annuitants.*
Wives ...	267	49
Sons ...	429	88
Daughters ...	375	82

The value of these reversionary benefits is estimated for the above number proportionally to the value given at pages 33 and 34 of Mr. Neison's report for the numbers therein given.

The present value, therefore, of the contingent reversionary pensions of—

263 wives of members, being for 267, will be proportionally	£164,052·60	166,547·697
27 wives of annuitants being for 49 will be proportionally	19,538·70	35,459·122
454 sons of members for 429 will be proportionally	39,014·12	36,874·576
56 sons of annuitants being for 88 will be proportionally	2,871·28	4,512·011
434 daughters of members for 375 will be proportionally	87,289·59	75,423·033
66 daughters of annuitants being for 82 will be proportionally	16,134·23	20,045·558
		£338,861·997
Total value ..		£338,862 or
At the Exchange of 1s. 11d the Co.'s Rs.		35,35,951

10. To compare, therefore, the existing Assets and Liabilities on the plan adopted in Mr. Neison's report with such corrections as subsequent experience appears to render necessary—

LIABILITIES—	Rs.
Value of Pensions of existing incumbents *(see Statement B)*,	30,48,728
Ditto contingent Liabilities as above	35,35,951
Total Liabilities Rs.	65,84,679

Assets valued as per Mr. Neison's, page 45.

ASSETS—	
Realized Capital	35,91,148
Composition for annuitants on an average of six years 27,000, and payments to complete 25,000, on average as above 10,000, 37,000 × 10·561 ...	3,90,757
Honorable Court's Donation, valued as in Mr. Neison's Report	2,64,025
Subscription at 2½ per cent. found on an average of six years to yield 2,13,016 × 9·797 the multiplier employed at page 43	20,86,917
Subscription at 2 per cent. on salaries of married members yields at present 1,17,000 × 8·091 *(see page 43)* ...	9,46,647
Subscription on annuity yields 6,000 × 6·363 (171·792—*see Neison's Table E.*) ...	38,178
Children's subscriptions yield at present 42,000 × 9·797 ...	4,11,474
Co.'s Rs.	77,29,146
Total Assets ...	77,29,146
Total Liabilities ...	65,84,679
Difference ...	11,44,467

11. As, however, this calculation supposes all the items to bear 8 per cent. interest, a correction is necessary with regard to the amount that is actually invested at 4 and 5 per cent. The items affected are as follows:

		Rs.
Portion of Capital	...	12,08,639
Composition of annuitants		2,85,147
Subscriptions at 2 per cent.		9,46,647
Ditto on annuity	...	38,178
Ditto for children	...	4,11,474
Total	...	28,90,085

This amount of capital at 5 per cent. is found (by multiplying by ·723—*see* Mr. Davies' Report, para. 44,) to be equal to 21,06,872 at 8 per cent., the difference being 7,83,213. A similar correction is necessary for a portion of the liabilities calculated at 4 per cent., *viz.*, 4,17,825, which, multiplied by ·644876 (*see Addenda* to Mr. Davies' Report), gives 2,69,445, the difference being 1,48,380. After these corrections the total Assets and Liabilities will stand as follows:—

	Assets	... 77,29,146	
Less	„	... 7,83,213	69,45,933
	Liabilities	... 65,84,679	
Less	„	... 1,48,380	64,36,299
	Difference	...	5,09,634

or, an excess of Assets over Liabilities of 5 lakhs.

12. In framing an estimate of the present position of the Fund on the principle adopted by Mr. Davies, the contingent Liabilities have been taken as above at Rupees 35,35,951, the income necessary to meet this at 8 per cent. is, using Mr. Davies' divisor 8·207 (para. 45 of Report). $\frac{35,35,951}{8\cdot207}$ =4,30,846. This amount of annual income, although it is made the basis of the estimate which follows, must, in the Managers' opinion, be considered too high for the following, if for no other reasons. The divisor 8·207 represents the average duration of the joint lives of married members and their respective wives: but the ordinary subscriptions of a married man will not, as in an Insurance Office, cease for the reversionary period of his survivorship of his wife, and the reason is not apparent why that portion of the liabilities of the Fund, which is to be met from the ordinary contributions of the Service, should not have been valued by the "whole Life" Table, the effect of doing which would be to reduce considerably the amount of annual income required. The above consideration will be found to have engaged the attention of Mr. Neison; it is alluded to at page 42 of his Report. The unfairness alluded to is most conspicuous in the case of a widower with children, as his extraordinary contributions for children are not only continued, but the rate is doubled; whereas in the present calculation, they are treated as ceasing on a Subscriber becoming a widower.

13. And here a remark may be made on what appears at first sight, and is remarked on by the Honorable Court, in the 8th para. of the despatch, as the smallness of the contributions for children of married and widower Subscribers, the amount of the contribution of a widower Subscriber is not so small as a hasty comparison of the low rate, with the general rates of subscription, might suggest to the mind. A widower does not subscribe at ¼ per cent. for each son, or ½ per cent. for each daughter, on an average of the salaries of the whole Service, or even on an average of the salaries of married members, but on his own salary; and

from the circumstances of most of the widower Subscribers being Senior Members of the Service, the tax is heavier than might at first be supposed, and appears sufficient for the purpose. A tax of one per cent. on the whole Service is equal to an annual contribution from each individual of Rupees 171 annually. A tax of 1 per cent. on married members is equal to a contribution from each married man of Rupees 219. But from widowers 1 per cent. equals a contribution from each of Rupees 339 annually.

14. Returning to the estimate of the present position of the Fund, on Mr. Davies' system of valuation, the income necessary at 8 per cent. was shown in para. 10 to be Rupees 4,30,846; of this amount the proportion to be improved at 5 per cent. is Rupees 1,77,230.

	Rs.	Rs.
Vis. : Total		4,30,846
Deduct 2½ per cent. subscription	2,13,016	
„ Honorable Court's donation	25,600	
„ Payments to complete Rupees 25,000 ...	10,000	
Deduction for minimum portion at 8 per cent.	5,000	
		2,53,616
		1,77,230
Multiplying this by 1·3717 (*see* Mr. Davies' para. 44) we have 1,77,230 x 1·3717 =	2,43,106	
Add	2,53,616	
	4,96,722	

or, annual income necessary to provide for contingent liabilities, Rupees 4,96,722, to which, adding Rupees 9,000 for Establishment, Contingent, and Agency expenses, we have a total income required of Rupees 5,05,722.

15. To meet the above, there are the following sources of income :—

Subscription for children	42,000
Honorable Court's donation	25,600
Deduction for minima	7,000
Interest on unappropriated capital, or rather on the amount of capital in excess of all existing liabilities	23,000
Payments on retirement to complete balance of Rupees 25,000	10,000
Composition for future subscription paid on retirement	27,000
Subscriptions on annuity	7,000
Fines yield an average of Rupees 1,000 per annum, but not taken into account.	
Total	1,41,600

Deducting this amount from Rupees 5,05,722, the total income required, as shown in the last para., there will be a balance to be made up by current subscriptions, Rupees 3,64,122.

16. In determining the rate of subscription necessary to raise the above annual sum, the form of calculation adopted by Mr. Davies at para. 47 of his report has been followed, the figures only being altered in accordance with more recent and more extended experience. The produce of the existing rates of subscription (*vide Sup.* para. 10) is the 2½ per cent. rate 2,13,016, and the 2 per cent. rate 1,17,000.

Then putting r for the rate

$$\frac{r}{2\frac{1}{2}} \times 2,13,016 = 85,206\,r$$

$$\frac{r}{2} \times 1,17,000 = 58,500\,r$$

$$1,43,706\,r$$

$$\text{and } r = \frac{364122}{143706} = 2{\cdot}53$$

or, a little above 2½ per cent. on the salaries of the whole Service, with 2½ per cent. additional on married members.

17. The result thus obtained lies between the present rates and the proposed rates of 3 and 5 per cent. It is higher than the rates now obtaining by ½ per cent. on married Subscribers, but it is less than the rates of 3 and 5 per cent. by ½ per cent. on the salaries of unmarried members.

18. It will be necessary, before closing this Report, to review briefly the actual operations of the Fund for the past six years; I am, however, directed in connection with the consideration of the result arrived at by Mr. Davies, to draw attention to the somewhat remarkable circumstance, (assuming Mr. Davies' estimate of required income to be no more than was sufficient in 1850), that the above calculations have disclosed, *viz.*, that whereas, on the data furnished in 1850, contributions at 3 and 6 per cent. were considered to be required, a nearly similar process of calculation applied to the state of the Fund six years later shows a considerably reduced rate to be sufficient, notwithstanding that lower rates than either have been in actual operation for the term in question. Mr. Davies estimated an additional income as necessary to supply the deficiency in the capital of the Fund equal to a tax of ¾ per cent. on the emoluments of the whole Service for 9¾ years. This deficiency, however, disappeared in about 4½ years, notwithstanding the continued existence of the low rates.

19. The causes of this may, it is believed, be found partly in the circumstances noticed at para. 12. *First*, the time required for raising the amount of contingent liabilities being, as it seems to the Managers, under the peculiar constitution of the Civil Fund, unnecessarily limited to the average period of the joint duration of married life; *second*, the subscriptions on account of children to be paid by married Members for the reversionary period of the survivorship of their wives being altogether ignored in fixing the above period as the time over which the contingent liabilities should be thrown; for even if it could be admitted that Mr. Davies' plan (see para. 41 of his Report) to leave the contributions which may be made by the married Members after the deaths of their present wives, towards providing for subsequent families, were fair as regarded ordinary contributions, it could never be contended that the extra contributions to be paid on account of their children by married Members after the death of their wives ought also to be applied towards providing for subsequent families.

20. But the value of contingent liabilities appears to have been over-estimated by Mr. Davies, owing to his having assumed too high a rate of mortality for the Members of the Civil Service, particularly in the higher ages; this is, indeed, admitted by Mr. Neison. As evidence of this alleged over-estimate of mortality, I am directed to point to the experience of the Fund, which, extending over a period of seventeen years, may fairly be applied as a means of testing the correctness of the calculations in question. Mr. Davies in the 8th Appendix to his Report calculated from the Table of Mortality which he had constructed, that in the year 1850, 5·8751 widows and 21·7169 children might be expected to become chargeable on the Fund. The experience of the Fund for seventeen years shows that the wives who have actually become widows, and children who have actually become fatherless, is the average annual number of 4·43 wives and 14·06 children. For the last seven years, the numbers are still more favorable to the Fund, averaging annually 3·57 wives and 10·57 children, and this, notwithstanding that the numbers of wives

and children of Subscribers to the Fund have of late years considerably increased. The Managers may, they believe, be permitted to refer to the experience of the Bengal Military Fund, in confirmation of their belief that there is a tendency with Actuaries in England to over-estimate the contingent liabilities of Indian Service Funds.

21. With reference to the remark made above (para. 19,) as to the peculiar constitution of the Fund, it is to be observed, that the Fund partakes partly of the character of a charitable, and partly of a mutual, assurance Institution, and it may be very fairly contended that the liabilities of the Fund arising out of its charitable character ought to be thrown over one generation of the Service, that is, that the contingent liabilities on this account existing at any one time should be extended over a term equal to the average expected duration of life of all the members of the Service at that time, and that the remaining liabilities should be thrown over a term equal in the case of wives to the average expected duration of the joint lives of married members and their wives, and in the case of children to the average joint duration of the lives of fathers and children.

22. Mr. Davies, in para. 5 of his report, estimates the claims under the old or charitable constitution of the Fund to amount to 53 per cent. of what they would be likely to be under the new Rules; if, then, 53 per cent. of the present contingent liabilities of the Fund, Rupees 35,35,951, be divided by 9·734 (Mr. Davies' para. 42), and the remainder as before by 8·207, it will be found that the income required at 8 per cent. is Rs. 3,95,024, and the amount to be improved at 5 per cent., Rs. 1,41,408, and the total income at 5 and 8 per cent., Rupees 4,47,585, to which, adding Rupees 9,000 for expenses of management, the income required altogether amounts to Rupees 4,56,585, from which, if Rupees 1,41,600 be deducted, as in para. 15, the amount remaining to be made up by subscriptions is Rupees 3,14,985 and $\frac{314985}{143700} = 2{\cdot}19$, or requiring rates of less than $2\frac{1}{4}$ on the unmarried and less than $4\frac{1}{2}$ on the married portion of the Service.

23. There is, however, another consideration which has not yet been taken into account, owing to a desire to present the estimates, as nearly as practicable, in the form in which they were made by the Actuaries, but which it is necessary to allow for in forming a correct estimate of the contingent liabilities of the Fund. The consideration alluded to is that of the rate of exchange. In the reports of the Actuaries, and at para. 9 of this letter, the conversion of sterling money into Company's Rupees has been made at the Exchange of 1*s.* 11*d.* per Company's Rupee. The correct rate at which the payments of the Fund are made is 2*s.* 1*d.* the Sicca Rupee, which is nearly equivalent to 1*s.* $11\frac{1}{2}$*d.* per Company's Rupee.

24. The amount of contingent liabilities assumed at para. 9, *viz.*, £338,862 at 2*s.* 1*d.* the Sicca Rupee, is equivalent to Company's Rupees 34,70,021. The income required to meet this, if computed (at 8 per cent.) as at para. 12, will be $\frac{3470021}{8207} = 4,22,812$, the proportion of this to be improved at 5 per cent. is 4,22,812—2,53,616 = 1,69,196, which being made equal to 8 per cent. gives required income 2,32,086 + 2,53,616 = 4,85,702, to which, after adding Rupees 9,000 for expenses of management, it will appear that a total income of Rupees 4,94,702 will suffice for every purpose of the Fund. If Rupees 1,41,600 be deducted as before, the amount to be made up by annual contributions on salary will be found to be Rupees 3,53,102, and the rate required $\frac{353102}{143700} = 2{\cdot}46$, or less than $2\frac{1}{2}$ on unmarried and about $4\frac{3}{10}$ per cent. on married Subscribers.

25. If, however, the rate of $2\frac{1}{2}$ per cent. on the whole Service be considered as fixed, the figures will stand as follows:—Income required from subscriptions, Rupees 3,53,102, deducting 2,13,016, the produce of the $2\frac{1}{2}$ per cent. rate leaves a remainder to be made up by subscriptions of married men of 1,40,086, which divided by 58,500 the amount of a 1 per cent. rate on married members, gives 2·39, or subscriptions at the rates of $2\frac{1}{2}$ per cent. on the whole Service, with $2\frac{1}{8}$ additional on married Subscribers, are found sufficient. These rates, it will be observed, differ from those that obtain at present by only $\frac{1}{8}$ per cent. on the married portion of the Service.

26. The calculations in the last three paras. have been made without reference to the considerations urged in paras. 21 and 22; but if the justice of those considerations be conceded, it will be proper to take into account the effect upon the present question. The total contingent liabilities at the exchange of 2*s.* 1*d.* the Sicca Rupee are taken as before at Rupees 34,70,021, of which 53 per cent. = 18,39,111 and 47 per cent. = 16,30,910. Following the process employed above— $\frac{18391\,11}{9\cdot734}$ = 1,88,937 and $\frac{16309\,10}{8\cdot207}$ = 1,98,722 together 3,87,659. If the amount Rupees 2,53,616, on which the Fund receives 8 per cent., be deducted from the above, the remainder to be improved at 5 per cent. is found to be Rupees 1,34,043, which multiplied by 1·3717 gives 1,83,867. To this last sum should be added the above amount of 2,53,616, and on account of expenses of management Rupees 9,000, when the total income required is found to be Rupees 4,46,483. We have already explained that the Fund has an income of Rupees 1,41,600 independent of ordinary subscriptions, which are therefore only required to make up the difference, or Rupees 3,04,883.

27. It has been already stated (at para. 10) that the present subscription rates yield—the $2\frac{1}{2}$ per cent., Rupees 2,13,016, and the 2 per cent., Rupees 1,17,000, total Rupees 3,30,016. Which amount exceeds the result arrived at in the last para. by Rupees 25,000.

The above would appear to indicate that the present income of the Fund exceeds by Rupees 25,000, the amount required for raising, within a reasonable period, the full value of every contingent liability at present existing of the Civil Fund. The rates actually necessary to produce Rupees 3,04,833 will be found as follows: $\frac{30483\,3}{14370\,6}$ = 2·121, or a little less than $2\frac{1}{8}$ on unmarried and $4\frac{1}{4}$ on married members.

28. I am directed to forward with this letter, in addition to the papers mentioned at para. 3 three Statements (marked A. B. C.) illustrative of the operations of the Fund for the past six years and of its present position. The first Statement (marked A.) shows the net receipts and the actual expenditure of the Fund from the year 1849-50. It has been framed with the view of affording that comparison between the annual income and expenditure of the Fund required by the final para. of the despatch, in which the Honorable Court express their opinion that the annual income of the Fund should be considerably in excess of its annual expenditure.

29. It will be seen that, excepting the year 1849-50, which is incomplete, the new Rules having come into force in the latter part of the year, the excess of Receipts over Expenditure has fluctuated from Rupees 2,31,675 in 1850-51 to Rupees 3,01,000 in 1855-56, a surplus of Receipts which, considering the annual amount of the Fund's Expenditure, cannot, the Managers think, but be admitted to be considerable. The respective rates of increase of Receipts and

Charges during the above period must also, the Managers think, be considered satisfactory; the Receipts, it will be observed, have increased by Rupees 80,000, while the Expenditure during the same period has only increased by Rupees 10,000.

Receipts	... 1850-51	Rupees	5,87,914
,,	... 1855-56	,,	6,67,925
Charges	... 1850-51	,,	3,56,239
,,	... 1855-56	,,	3,66,636

30. The above Statement, however, extending over a very limited number of years is not perhaps so satisfactory for purposes of comparison as the second (marked B.) which is of a prospective nature, comparing the capital of the Fund with the calculated value of all incumbent liabilities in each year. The values of the pensions in the earlier years embraced in the present Statement, which will be found to differ from previous Reports, have been carefully calculated according to Davies' Tables of Valuation.

31. An examination of Statement B. will show that from the year 1850 the deficit in the capital, which amounted at that time to nearly 9 lakhs of Rupees, became less in every successive year of the Fund's operations, until, in the year 1854-55, it disappeared altogether; and the latest accounts show that the Fund is in possession of a capital which exceeds its liabilities by upwards of 5 lakhs.

32. The relative increase of the Fund's Capital and Liabilities, as shown in this Statement, appears to the Managers to be highly favorable to the Fund; it will be seen that, while the increase in the capital is nearly 17½ lakhs, the increase to the value of incumbent Liabilities is but slightly in excess of 3 lakhs; or if the increase in contingent Liabilities (about 5 lakhs) be taken into account, the relative increase for the past six years has been in Capital upwards of 17 lakhs, in Liabilities about 8 lakhs.

Total Capital	... 30th April 1850	... 18,51,341
,,	... 30th April 1856	... 35,91,148
Value of pensions	.. 30th April 1850	... 27,47,086
,, ,,	... 20th April 1856	... 30,48,728

33. With reference to the 14th para. of the Honorable Court's despatch, it will be seen from Statement B. that the value of all existing pensions granted under the new Rules is fully provided for by appropriations of capital, while the unappropriated capital, bearing interest at 8 per cent., is sufficiently large to justify the appropriation during the current year of at least 10 lakhs towards the deficiency in the Capital appropriated to meet the liabilities of the Fund under the old Rules. This operation, if the excess of appropriations under the new Rules be taken into account, will leave comparatively small deficiency, and one which the Managers think they are fully justified in believing will be altogether removed before the next quinquennial adjustment in 1858, without trenching on the capital of the Fund at 4 per cent., the surplus of which is already equivalent to four years' appropriations, at the average of the last six years, an amount of reserve capital which the Managers trust will be considered to meet the wishes of the Honorable Court, that the income of the Fund should be so regulated as to raise its unappropriated capital, within a reasonable period, to a moiety of its contingent liabilities.

34. In conclusion, I am desired to remark that the valuation of contingent liabilities has been made, as will not fail to be observed from proportions taken to the different descriptions of liability in 1850. This, though perhaps showing a total amount less than would have resulted from a detailed calculation, has been done not only to avoid the difficulty which would necessarily be found in collecting the materials for calculation

in detail, and the laborious nature of that calculation, if made in detail, first, according to Mr. Davies' process and Tables, and again, according to those of Mr. Neison, but also from the consideration that the course adopted leaves no ground for the supposition that there has been any deviation from the system adopted by the Actuaries: while there appears no *primâ facie* reason why it should present an under-valuation of the liabilities of the Fund. In 1858, it will be the duty of the Managers to frame a careful estimate of the Fund's liabilities, for the purpose of regulating the rate of subscription, and in the meantime they submit the present report, in the confident hope that the Honorable Court will be of opinion that the existing subscription rates may be continued without any fear of the interests, of future Subscribers being in any way endangered, while any increase that might now be made if proved in 1858 to be unnecessary, would, it is respectfully submitted, not only be unfair to the present Members, who, by the high rates they have been paying since 1850, have so largely raised the capital of the Fund, but it would have the undesirable effect of unnecessarily throwing open to re-adjustment the amount paid under Article 8 of the Rules by every annuitant retired since 1850, who compounded for future subscriptions at the time of his retirement.

A.

Statement of Receipts and Disbursements, Civil Fund, for the past Seven Years.

NET RECEIPTS.

	1849-50.			1850-51.			1851-52.			1852-53.			1853-54.			1854-55.			1855-56. *(Partly estimated.)*		
Interest on Capital	1,43,298	3	7	1,57,896	14	6	1,59,483	1	7	1,75,881	5	2	1,87,298	15	7	1,85,673	7	1	2,27,053	2	5
Subscriptions, 2½ per cent.	1,28,628	0	8	2,13,923	15	1	2,10,309	1	4	2,12,556	5	10	2,14,371	3	11	2,17,676	1	4	2,09.259	1	9
Ditto, additional	83,716	5	11	1,48,420	14	1	1,50,023	6	7	1,58,090	6	7	1,56,719	12	4	1,60,717	11	11	1,61,547	9	11
Payments to complete 25,000	.....	..	.	17,786	2	4	39,563	2	6	33,966	7	9	24,655	7	4	21,539	4	3	15,406	6	0
Composition by Annuitants	6,547	6	0	23,546	5	8	40,011	7	5	21,751	7	7	33,306	6	6	20.574	7	0	21,684	6	5
Subscription on Annuity	.....	..	..	740	0	0	1,431	4	1	1,798	8	4	3,782	7	2	5,930	12	5	6,674	14	10
Fines	... ..	..	.	.....	..	.	1.000	0	0	1,550	0	0	1,450	0	0	450	0	0	700	0	0
Hon'ble Court's Donation	25,600	0	0	25,600	0	0	25.600	0	0	25,600	0	0	25,600	0	0	25.600	0	0	25,600	0	0
	3,87,790	0	2	5,87,914	3	8	6,27,421	7	6	6,31,194	9	3	6,47,184	4	10	6,38,161	12	0	6,67,925	9	4

A.

Statement of Receipts and Disbursements, Civil Fund, for the past Seven Years.

ACTUAL DISBURSEMENTS.

	1849-50.			1850-51.			1851-52.			1852-53.			1853-54.			1854-55.			1855-56. (*Partly estimated*).		
Pensions, Old Rules	2,96,875	8	0	3,48,787	6	9	3,29,187	4	9	3,05,278	2	6	3,04,289	9	1	2,83,044	4	5	2,90,222	8	0
Ditto, New Rules	.....	...	...	3,118	8	9	16,610	13	11	9,689	12	3	23,781	8	6	44,664	5	9	70,137	9	9
Donation, Marriage	.....	...	...	.....	..	...	.....	..	...	.....	...	...	.....	...	..	3,000	0	0	.....	...	...
Establishment, Contingencies, &c.	3,810	5	10	4,333	6	9	3,893	7	9	4,888	9	6	4,534	10	0	4,257	7	3	6,275	14	0
	3,00,685	13	10	3,56,239	6	3	3,49,691	10	5	3,19,856	8	3	3,32,605	11	7	3,34,966	1	5	3,66,635	15	9
Excess of Receipts	87,104	2	4	2,31,674	13	5	2,77,729	13	1	3,11,338	1	0	3,14,578	9	3	3,03,195	10	7	3,01,289	9	7

B.

Statement of Capital and Liabilities of Civil Fund for the past Seven Years.

	Values.	Appropriated Capital.	Unappropriated Capital.	
30*th* *April* 1850.				
Value of Pensions, Old Rules ... Rs.	27,47,086	.....	At 8 per cent.	18,17,303
			At 4 per cent.	34,038
Ditto, New Rules, at 8 per cent. ,,	.....	.....		
Ditto, ditto, at 4 per cent. ... ,,	.....	.....	Total ...	18,51,341
			Add Appropriated Capital ...	.....
			Total Capital ...	18,51,341
			Deduct Value of Pensions ...	27,47,086
Total, Rs.	27,47,086	.....		
			Deficit ...	8,95,745

	Values.	Appropriated Capital.	Unappropriated Capital.	
30*th* *April* 1851.				
Value of Pensions, Old Rules ... Rs.	25,99,636	.....	At 8 per cent.	18,63,260.
			At 4 per cent.	81,596
Ditto, New Rules, at 8 per cent. ,,	73,889	87,237		
Ditto ditto, at 4 per cent. ... ,,	57,116	50,923	Total ...	19,44,856
			Add Appropriated Captial ...	1,38,160
			Total Capital ...	20,83,016
			Deduct Value of Pensions ...	27,30,641
Total, Rs.	27,30,641	1,38,160		
			Deficit ...	6,47,625

B.

Statement of Capital and Liabilities of Civil Fund for the past Seven Years.

	Values.	Appropriated Capital.	Unappropriated Capital.	
30th April 1852.				
Value of Pensions, Old Rules ... Rs.	24,29,583	13,05,318	At 8 per cent.	4,29,464
			At 4 per cent.	2,52,332
Ditto, New Rules, at 8 per cent. ,,	2,01,135	2,23,509		
Ditto, ditto, at 4 per cent. .. ,,	1,47,719	1,50,122	Total ...	6,81,796
			Add Appropriated Capital ...	16,78,949
			Total Capital ...	23,60,745
			Deduct Value of Pensions ...	27,78,437
Total, Rupees	27,78,437	16,78,949		
			Deficit ...	4,17,692

	Values.	Appropriated Capital.	Unappropriated Capital.	
30th April 1853.				
Value of Pensions, Old Rules ... Rs.	23,74,382	11,15,611	At 8 per cent.	7,27,811
			At 4 per cent.	4,36,067
Ditto, New Rules, at 8 per cent. ,,	2,26,606	2,29,254		
Ditto, ditto, at 4 per cent. ... ,,	1,65,989	1,63,341	Total ...	11.63,878
			Add Appropriated Capital ...	15,08,206
			Total Capital ...	26,72,084
			Deduct Value of Pensions ...	27,66,977
Total, Rupees	27,66,977	15,08,206		
			Deficit ...	94,893

B.

Statement of Capital and Liabilities of Civil Fund for the past Seven Years.

	Values.	Appropriated Capital.	Unappropriated Capital.	
30th April 1854.				
Value of Pensions, Old Rules ... Rs.	22,98,048	9,10,622	At 8 per cent.	8,11,169
			At 4 per cent.	4,96,456
Ditto, New Rules, at 8 per cent. ,,	4,45,441	4,55,460		
Ditto, ditto, at 4 per cent ... ,,	3,13,703	3,12,955	Total ...	13,07,625
			Add Appropriated Capital ...	16,79,037
			Total Capital ...	29,86,662
			Deduct Value of Pensions ...	30,57,192
Total, Rupees	30,57,192	16,79,037		
			Deficit ..	70,530

	Values.	Appropriated Capital.	Unappropriated Capital.	
30th April 1855.				
Value of Pensions, Old Rules ... Rs.	21,43,484	7,09,120	At 8 per cent.	8,82,052
			At 4 per cent.	5,41,241
Ditto, New Rules, at 8 per cent. ,,	6,67,045	6,97,815		
Ditto, ditto, at 4 per cent. ... ,,	4,46,894	4,59,630	Total ...	14,23,293
			Add Appropriated Capital ...	18,66,565
			Total Capital ...	32,89,858
			Deduct Value of Pensions ...	32,57,423
Total, Rupees	32,57,423	18,66,565		
			Excess ...	32,435

B.

Statement of Capital and Liabilities of Civil Fund for the past Seven Years.

		Values.	Appropriated Capital.	Unappropriated Capital.	
30th April* 1856.—*(Partly estimated).					
Value of Pensions, Old Rules	Rs.	19,53,435	4,99,648	At 8 per cent.	11,34,243
				At 4 per cent.	7,52,958
Ditto New Rules, at 8 per cent.	,,	6,77,468	7,48,617	Total, ...	18,87,201
Ditto, ditto, at 4 per cent.	,,	4,17,825	4,55,681	Add Appropriated Capital	17,03,947
				Total Capital ...	35,91,148
				Deduct Value of Pensions	30,48,728
	Total, Rupees	30,48,728	17,03,947	Excess ...	5,42,420

Despatch from the Honorable the Court of Directors, to the Governor-General in Council, dated the 17th April 1857.

I. We learn from the Report of the Managers of the Civil Fund, dated the 25th of September 1856, that the Capital of the Fund on the 30th April 1856, amounted to Rs. 35,91,148, and the value of the Pensions to Rs. 30,48,728, the difference exhibiting a Surplus of Rs 5,42,420. These results are partly estimated.

2. The Managers remark that the unappropriated Capital bearing interest at 8 per cent. is sufficiently large to justify the appropriation during the current year of at least 10 Lakhs towards the deficiency in the Capital appropriated to meet the liabilities of the Fund under the Old Rules. This operation, if the excess of appropriations under the New Rules be taken into account, will leave comparatively a small deficiency, and one which the Managers think they are fully justified in believing will be altogether removed before the next quinquennial adjustment in 1858, without trenching on the Capital of the Fund at 4 per cent., the surplus of which is already equivalent to four years' appropriations at the average of the last six years.

3. The report is altogether very hopeful, and tends to shew that existing rates of Subscription (2½ per cent. for the unmarried class and 4½ per cent. for the married) may perhaps be sufficient to secure the Fund, and to realize the result pointed out in the closing para. of our letter of the 25th of April last, an object which must not be lost sight of. We therefore shall not object to the course suggested by the Managers being pursued, namely, to postpone any further increase of Subscription until the result of the quinquennial adjustment in 1858 shall have been ascertained.

Letter from the Managers of the Bengal Civil Fund to the Secretary to the Government of India, dated the 30th April 1859.

I have the honor, by desire of the Managers of the Civil Fund, to forward for the information of the Government copy of the Proceedings of the Half-yearly General Meeting of the Fund held on the 26th January last. The accounts submitted to this Meeting comprise the quinquennial adjustment of the appropriated branch of the Fund provided for by Article XLIII. of the Rules of the Institution.

With reference to my letter of the 25th September 1856, and the Honorable Court's Despatch of the 17th April 1857, on the subject of the adequacy, or otherwise, of the rates of contribution, it will be observed that the Managers consider the position of the Fund to be satisfactory, and recommend the continuance of the existing rates of subscription.

Proceedings of a Half-yearly General Meeting of Subscribers to the Bengal Civil Fund, held on the 26th January 1859.

PRESENT :—Messrs. E. Currie, H. B. Harington, E. Drummond, R. P. Harrison, H. D. H. Fergusson, S. Wauchope, C. T. Buckland, E. F. Harrison, and J. A. Crawford

E. CURRIE, ESQ., *in the Chair.*

Read the following Report submitted by the Managers :—

"The Managers submit their proceedings for the past half-year, for the consideration and sanction of the Meeting.

"Subject to the approval of the Subscribers, they have admitted to the benefits of the Fund the following families :—

1. The six Children, (three Sons and three Daugters,) of the late Mr. T. C. Loch, who died in London, on the 17th July 1858.

Mr Loch's six Children, per annum ... £520

2. The Widow of the late Mr. W. T. Christopher, formerly an Incumbent on full allowances from the Fund, as the Widow of Mr. George James Taylor, a Subscriber who died in 1833, has been re-admitted under the *old* Rules, from the date of decease of her late Husband, *viz.*, 22nd April 1858. This Lady's original incumbency lasted only for three months, *viz.*, from 22nd September to 17th December 1833, when she was married to Mr. Christopher, and ceased to be an Incumbent. She is now re-admitted on the allowance noted below.

Mr. Christopher (formerly Taylor)	...	£400
Less private income ..	..	150
		250

"Mr. H. F. James, who retired on an Annuity of £1000 on 1st May 1855, having completed by a payment of Rupees 3,300 the prescribed balance in this Fund of Rupees 25,000, but neglected for a year to pay up subscriptions from his Annuity under Rule 8, was informed that he had incurred the penalty specified in Article XXXVIII. of the Rules. He has since paid up all arrears with interest at 8 per cent., and seeks re-admission to the Fund, pleading in excuse of non-payment that from serious illness he was "incapacitated from taking any active part in the management of his own affairs." Subject to the approval of the Meeting, Mr. James has been restored to the full rights of a Subscriber.

"Mr. Reginald Thornton, who left India in November 1855, and retired in November 1858 on an Invalid Annuity of £500, having similarly incurred the penalty of Rule 38, has paid up arrears with interest, and pleads that he understood the penalty to apply only to cases when the death of the Subscriber before payment makes it necessary for the family to seek admission to the benefits of the Fund. Subject to the approval of the Meeting, Mr. Thornton has been restored to the full rights of a Subscriber.

"Mr. Charles Grant requests that his application for the excess in his subscription total above Rupees 25,000 to be carried to the account of commutation of future subscriptions required under Rule 8 may be submitted for the decision of the Subscribers. The Managers have informed Mr. Grant that his claim is inadmissible under the Rules; but in compliance with his request lay the case before the Meeting.

"By the second Resolution of the last Half-yearly General Meeting, the Managers were requested to report whether any change is desirable in the Rules in respect to the points mooted in the first and second of the proposals brought forward by Messrs. Cust and Temple. The Managers referred the question for enquiry to a Sub-Committee composed of Messrs. Currie, Harington, and Beadon. The report of these gentlemen is submitted. The Managers concur in the opinion arrived at, that under existing circumstances no reduction ought to be made in the amount of Pensions allowed to the Widows and Orphans of Subscribers.

"With reference to the third Resolution of the last General Meeting accepting the principle of a proposition to levy a penalty in cases of unequal marriages, the Managers have circulated a Vote paper which is now in the hands of Subscribers.

"The Accounts for the year 1857-58, are submitted.

"Under Article XLIII. of the Rules, the Managers have calculated the value of the pending Annuities which they find to amount to Rupees 36,88,714. At the last quinquennial adjustment, the amount was reported to be Rupees 27,66,977, being an increase during the five years of Rupees 8,97,737. The capital of the Fund amounted on the 30th April last, to Rupees 43,37,734; and on the 30th April 1853 it was reported to be Rupees 26,72.084, being an increase of capital during the five years of Rupees 16,65,650. The capital at present exceeds the value of existing Pensions by Rupees 6,73 020. This amount differs from the balance at credit of the unappropriated head owing to the amount of 8 per cent. capital being still less than the value of the Pensions chargeable to that head, thereby rendering it necessary to retain a corresponding surplus in the four and five per cent., branch of the Appropriated head.

Incumbent Liabilities.

		at 8 per cent.
64 Widows, under old Rules	... £	1,41,653
56 Daughters ditto ...	,,	35,090
22 Sons ditto	,,	4,603
	£	1,81,346
	or Rupees	18 56,989

	at 4 per cent			
35 Widows, under new Rules	£	40,835	£	66,668
53 Daughters	,,	20,889	,,	31,882
30 Sons .	,,	7,112	,,	11,493
	£	68,836	£	1,10,043
	or Rupees	7,04,884	Rs	11.26,841
	Rupees	7,04,884		29,83.830
				7,04,884
			Total, Rupees	36,08,714

"The Managers have made up the balance of the eight per cent., Appropriated Account to 26 lacs. The value of the Old Pensions and of the proportion of the New Pensions chargeable to this head amounts to Rupees 29,83,830; the deficiency is therefore Rupees 3,83,830, which is considered to be equal to Rupees 5,26,499 of capital at five per cent. This sum added to the value Rupees 7,04,884 of the portion of Pensions under the New Rules, chargeable to the four five per cent. head, makes up Rupees 12,31,383 the adjusted amount of the balance of the Appropriated Funds.

"The Managers have likewise made a valuation, as required by Article XLIV. of the Assets and Liabilities of the unappropriated Funds. They find the present value (as on 30th April last) of the contingent liabilities to amount to Rupees 37,42,516. On the 30th April 1853 the amount, if calculated in the same manner as on the present occasion, was Rupees 31,52,220, so that there is an increase of contingent liabilities, amounting to Rupees 5,90,296. The Assets of the unappropriated Funds are valued at Rupees 42,33,985. On the 30th April 1853, the amount was reported at Rupees 46,08,848; being a decrease of Rupees 3,74,863. No comparison, however, can properly be made owing to the items of Subscriptions belonging to the four and five per cent. account having been differently valued. A comparison of the Assets and Liabilities of the unappropriated Funds shows a surplus of Assets amounting to Rupees 4,91,469.

Contingent Liabilities.

Present value of contingent benefits to		
270 Wives of Subscribers in the Service	... £	1,69,829
64 Wives of Retired Members	... ,,	48,665
371 Daughters of Subscribers in the Service	,,	69,482
112 Daughters of Retired Members	... ,,	23,544
431 Sons of Subscribers in the Service	... ,,	36,739
113 Sons of Retired Members	... ,,	8,406
		£ 3 56,665
at 2-1 per Sicca Rupee, Co.'s		Rs. 36,52.246
and for management charges Rs. 9,000 × 10·030 =		90.270
		Co.'s Rs. 37,42.516

Present value of Assets.

(*Items taken from* 1856-57, *returns of* 1857-58 *being unadjusted*

Ordinary Subscription at 2½ per Cent. from Married Members, Rs. 1.57,114 × 8·213...	12,90,377 0 0
Additional Subscription for Wives at 2 per Cent., Rs 1,25,691 × ·729 = 91 629 × 8·213	7,52,546 0 0
Additional Subscription for Children. Rs. 45 822 × ·729 = 33,404 × 9·560 .	3,19,344 0 0
Ordinary Subscription from Unmarried Subscribers, at 2½ per Cent Rs. 56,625 = 9·560..	5,41,335 0 0
Payments to make up Rs. 25,000, 5,229 × 10·030	52,446 0 0
Composition Payments from Annuitants, Rs 18,273 × ·729 = 13,321 × 8·213 ...	1,09,405 0 0
Donation from Government, Rs. 25,600 × 10 030	2,56,768 0 0
Minima or ⅓ from Pensions, two-thirds = 15,328 × 9 560 = 1,46,536 + one = third = 7,664 × ·729 = 5,587 × 9 560 = 5,341	1,99,948 0 0
Rs. ...	35,22,170 0 0

Add—Unappropriated balance at 8 per Cent.	42,532 0 0	
Interest at 8 per Cent. Rs. 3,402 × 10·030 ...	34,122 0 0	
Unappropriated Balance at 5 per Cent. Rs. 516,182 × ·729 ...	3,76,297 0 0	
Interest at 5 per Cent. Rs. 25,809 × 10·030...	2,58,864 0 0	
		7,11,815 0 0
	Co.'s Rs.	42,33,985 0 0

"The Managers consider that the position of the Fund may be declared to be satisfactory, and they recommend that the existing rates of subscription be continued for the ensuing quinquennial period.

"The following Statements of the number of Incumbents on the Fund, and of the number of the families of Subscribers from 1849-50 to the present time, are subjoined to illustrate the progress of the Fund :—

Incumbents.

	W.		D.		S.		Total.
1850 April 30,	80	+	89	+	60	=	229
1851	81	+	84	+	56	=	221
1852	82	+	89	+	58	=	229
1853	79	+	90	+	50	=	219
1854	84	+	106	+	55	=	245
1855	87	+	109	+	60	=	256
1856	86	+	103	+	55	=	244
1857	88	+	102	+	46	=	236
1858	99	+	109	+	52	=	260

Families of Subscribers.

	In the Service.			*Out of Service.*			*Total of both.*		
	W.	D.	S.	W.	D.	S.	W.	D.	S.
1850 April 30,	248 +	373 +	406	2 +	5 +	0 =	250	378	406
1851	255 +	378 +	429	8 +	19 +	12 =	263	397	441
1852	245 +	370 +	420	27 +	40 +	42 =	272	410	462
1853	256 +	379 +	450	34 +	48 +	46 =	290	426	496
1854	256 +	358 +	427	44 +	76 +	80 =	300	434	507
1855	267 +	375 +	429	49 +	82 +	88 =	316	457	517
1856	275 +	399 +	456	50 +	87 +	91 =	325	486	547
1857	284 +	404 +	467	57 +	102 +	98 =	341	506	565
1858	270 +	371 +	431	64 +	112 +	113 =	334	483	544

Abstract of the Accounts of the Bengal Civil Fund for 1857-58.

Unappropriated Funds.	Bearing Interest at 8 per cent.	Bearing Interest at 4 per cent.
By Balance 1st May 1857	2,27,173 13 9	3,51,294 13 3
,, Interest	30,521 4 3	16,221 4 11
,, Subscriptions during the year	1,93,327 11 7	1,51,642 14 11
,, Payment by two Annuitants to complete subscription balance of Rupees 25,000 under Art. VIII	5,771 7 4	0 0 0
,, Contribution on Annuity by Annuitants	0 0 0	9,067 0 2
,, Fines from Subscribers under Rule 6	0 0 0	550 0 0
,, Transfer from Appropriate Funds of deduction of 1-6th from Pensions under Rule 7	6,784 3 4	3,392 1 8
,, Retransfer from ditto under Rule 43	0 0 0	1,56,368 5 0
,, Amount granted by Government for the payment of Pension to families of those Subscribers who were killed in the Mutinies	37,001 4 10	18,500 10 4
,, Amount of unadjusted account with the Government ...	0 0 0	54,415 5 11
,, Hon'ble Court's Donation paid in England	25,600 0 0	0 0 0
	5,26,179 13 1	7,61,452 8 2

Deduct—	Bearing Interest at 8 per cent.	Bearing Interest at 4 per cent.
To Transfer to Appropriated Funds		
,, Value of Pension of Mrs. T. Wyatt, under the New Rules ..	18,413 9 1	14,580 11 2
,, Ditto of Mrs. R. B. Garrett, two Daughters and three Sons ...	41,554 15 9	29,906 1 3
,, Ditto of Mrs. W. C. Watson, two Daughters and one Son ...	37,079 6 6	28,030 4 6
,, Ditto of Mrs. J. R. Colvin, three Daughters and three Sons ...	46,575 6 4	31,515 8 10
,, Ditto of Mrs. H. H. Greathed	20,236 4 8	15,662 1 3
,, Ditto of Mrs. E. T. Colvin	20,312 1 0	15,558 10 5
,, Ditto of Mrs. B. H. Cooper, one Daughter and one Son ...	30,208 8 3	22,387 4 6
,, Ditto of Mrs. J. R. Ward, two Daughters and two Sons ...	39,970 9 9	38,586 1 0
,, Ditto of Mrs. A. C. Barwell, (an Annuitant)	13,465 9 7	8,505 5 5
,, Ditto of Mrs. H. Brereton	25,531 3 0	20,061 14 4
,, Ditto of Mrs. W. T. Christopher (formerly Mrs J. Taylor) under the old Rules	24,000 0 0	0 0 0
,, Interest thereon	13,707 14 11	5,042 5 5
,, Transfer to Appropriated Funds on account of Pensions payable by Government	37,001 4 10	18,500 10 4
,, Transfer to Appropriated Funds, under quinquenial adjustment to make up that balance to Rupees 26,00,000.	1,14,906 3 8	0 0 0
,, Refunds of over-paid subscription	684 14 1	745 7 11
,, Establishment, &c.	0 0 0	3,920 11 9
,, Printing Charges...	0 0 0	268 8 0
	4,83,647 15 5	2,45,269 10 1
Balance 30th April 1858, Rs. ..	42,531 13 8	5,16,182 14 1

Abstract of the Accounts of the Bengal Civil Fund for 1857-58.

APPROPRIATED FUNDS.	Bearing Interest at 8 per cent.	Bearing Interest at 4 per cent.
By Balance 1st May 1857 ...	22,67,721 4 1	11,30,429 3 4
,, Interest	1,76,155 11 3	58,063 0 3
,, Transfer from Unappropriated Funds values of Pensions granted to 11 Families within the year ... ,, ...	3,17,347 9 11	2 16,793 14 8
,, Interest thereon	13,707 14 11	5,042 5 5
,, Transfer from Unappropriated Funds on account of Pensions payable by Government	37,001 4 10	18,500 10 4
,, Transfer from Unappropriated Funds to make up the balance to Rs. 26,00,000	1,14,906 3 8	0 0 0
	29,26,840 0 8	14,28,829 2 0

DEDUCT—	Bearing Interest at 8 per cent.	Bearing Interest at 4 per cent.
To Pensions paid in England under old Rules	2,36,462 1 4	0 0 0
,, Ditto ditto India ditto	8,222 5 4	0 0 0
,, Ditto ditto England under New Rules	58,217 13 0	29,108 14 6
,, Ditto ditto India (*including Rs* 14.078-15-11 *on account of Pensions payable by Government.*) ..	17,153 9 8	8,576 12 10
,, Transfer to Unappropriated Funds of the deduction of one-sixth from Pensions under Rule 7	6.784 3 4	3,392 1 8
,, Re-transfer to ditto under Rule 43 of a surplus over the total Amount of values of Incumbent liabilities on 30th April 1858	0 0 0	1,56,368 5 0
	3,26,840 0 8	1,97,446 2 0
Balance 30th April 1858, Rs. ..	26,00,000 0 0	12,31,383 0 1
Total Balance 30th April 1858 ,, ...	26,42,531 13 8	17,47,565 14 1

Investment of the Balance.

Investment in Treasury Notes at 8 per cent.	Rs.	22,91,770 10 7
Uninvested at 8 per cent.	,,	3,50,761 3 1
Investment in Co.'s paper at 4 and 5 per cent.	,,	17,47,565 14 1
	Rs.	43,90,097 11 9
Deduct Amount of deposit	Rs.	52,363 10 2
	Rs.	43,37,734 1 7

Comparison of the Balance.

Balance 30th April 1857 less the Deposit Rs.	Rs.	39,24,255 8 3
,, 30th April 1858 Do. ,, ...		43,37,734 1 7
Increase ,, ...		4,13,478 9 4

E. E. E. F. HARRISON,
Hony. Secy. and Acct.

BENGAL SECRETARIAT LIBRARY

Resolved, that the admission by the Managers of Mrs. Christopher, and the Children of the late Mr. T. C. Loch, to the benefits of the Fund, be confirmed.

Resolved unanimously, that the decision of the Managers in the cases of Messrs. C. Grant, H. F. James, and R. Thornton, be approved.

Proposed by Mr. Buckland, seconded by Mr. Crawford, and carried unanimously, that the Report of the Managers on the propositions referred to them by the last General Meeting be accepted, and their recommendation for the continuance of the existing rates of subscriptions for the ensuing quinquennial period be adopted.

The following Gentlemen were re-elected Managers for the ensuing year; Messrs. E. Currie, H. B. Harington, E. Drummond, R. P. Harrison, and S. Wauchope.

A vote of thanks was passed to the Chairman.

REPORT.

The Managers of the Bengal Civil Fund having requested us to report whether any change is desirable in the Rules in respect to the points mooted in the first and second proposals brought forward by Messrs. Cust and Temple,* and if so what change we consider necessary; we have the honor to report as follows:—

The Secretary has laid before us a clear and able statement of the present state of the Fund which is hereto appended.

As the condition of the Fund is shown to have improved so much more rapidly than was anticipated, and as the Account exhibits a considerable surplus of assets over the value of existing liabilities, with a growing margin to cover the prescribed proportion of the value of contingent liabilities, we are of opinion that there is no reason for recommending to the Service any measure of the nature proposed by Messrs. Cust and Temple.

* 1· That a graduated scale of pensions for Widows and Orphans of Subscribers, be substituted for the present uniform rates.

2 The principle of the first motion being admitted, that the following scale be substituted: In the event of the death of the Subscriber within 5 years from the date of his admission to the Service, a pension amounting to one-third only of the full rates be allowed to his Widow and Orphans, and in the event of his death after the completion of five, but before the completion of ten years, a pension of two-thirds only. After the completion of ten years the full pensions to be granted.

We are of opinion that no further reduction ought to be made in the amount of pensions allowed to the Widows and Orphans of Subscribers, except under the pressure of financial necessity.

E. Currie,
H. B. Harington,
Cecil Beadon,

Statement.

The incumbent liabilities are calculated to amount as follows, covering a provision for 99 widows, 109 daughters and 52 sons.

At 8 per cent. old Rules	Rs. 18,56,989	
,, New Rules ...	,, 11,26,841	
		29,83,830
At 4 per cent. New Rules ...	...	7,04,884
		36,64,714

The capital of the Fund consists of

At 8 per cent. ...	26,42,532
At 4 and 5 per cent. .	17,47,566
	43,90,098

being an increase of 7 lacs since April 1856, when the state of the Fund was reported on to the Court.

The above figures show a deficiency of 8 per cent. capital to the extent of Rs. 3,41,298 or converted into capital at 5 per cent. of Rs. 4,68,158; and an excess of 4 per cent. capital amounting to . .. 10,42,682

or deducting the 8 per cent deficit converted as above	4,68,158
	5,74,524

I may notice here the apparent inconsistency in my remarks in speaking of the additional Capital sometimes as 4 per cent. and at others as five per cent.

More than half of the additional Funds are now invested at 5 per cent. and the proportion at 5 per cent. is constantly and rapidly increasing, the portion still remaining at 4 per cent. was that first acquired, and with reference to that consideration as well as looking to the amount of the incumbent liabilities chargeable to the additional head, it appears to be the best plan to value the incumbent liabilities by the 4 per cent. Tables, but to treat all the remainder of the additional capital as bearing interest at 5 per cent.

The surplus as shown above is Rs. 5,74,524; from this must be deducted Mrs. Creighton's deposit Rs. 52,364, leaving 5,22,160 Rupees.

From this latter sum, I think in a prudent review of our position, abatements should be made by setting aside a certain sum as a reserve, first for meeting any possible deficiency in the values assigned to the incumbent pensions and secondly as a set-off against the depreciation of the Government Securities held by the Fund.

On the first point, it is to be observed, that the applicability to our Fund of the Tables of Mortality (those framed for the Bombay Mily. Fund) on which the valuations of our widows' pensions are based has never been thoroughly investigated, and that our experience though it undoubtedly shows a general accordance with the valuations, by no means establishes the existence of such a margin in the rates as would justify the belief that the maintenance of a moderate reserve is uncalled for as a precautionary measure.

I would propose to retain an amount equal to 5 per cent. on the incumbent liabilities on this account, or Rs. 1,83,235.

On the second point, the reserve proper to meet the depreciation in the value of our Government Securities, I am aware that it may be said the Fund has no need to sell its securities, that the present is an exceptional time, and that in future years the value may improve. I submit, however, that the object of the enquiry now being made is to ascertain the *present position* of the Fund, and that speculation as to the probable value of its investments in future years is scarcely admissible. On the other hand, there appears to be no reason why the value of the Fund's Securities should be measured by their market price at any particular point of time, though it should, I consider, be fixed at such an amount as is justified by recent experience and our immediate expectations.

The par value of the Government securities held by the Fund is

4 per cent.	8,91,853
5 per cent.	9,21,400
	18,13,253

The value at which they appear in the Accounts of the Fund is

4 per cent.	8,26,582	
5 per cent.	9,20,984	
		17,47,566

If valued at the rates of 4 per cents. 90, and 5 per cents. 96, rates which certainly are not obtainable at present and have not been available to the seller for a considerable time, the figures would stand thus :—

4 per cent.	8,02,668	
5 per cent.	8,84,544	
		16,87,212
The difference will be		60,354

I propose to allow Rs. 50,000 on this account.

I have stated the surplus of the additional head to be	Rs. 5,22,160
but wish to make abatements amounting to	,, *2,33,235

* Reserve for incumbent pensions 1,83,235
Reserve for Government Securities' Account 50,000
2,33,235

Leaving a net surplus as a part set-off against the contingent liabilities of Rs. 2,88,925.

Our assets applicable to contingent liabilities may be valued as follows :

Assets :—		
Realized capital ...	...	2,88,925
Interest on above at 5 per cent.	14,446 x 10.030 =	1,44,893
Interest on reserve of 3,33,235 at 5 per cent. ..	11,661 x 10·030 =	1,16,959
Value of subscriptions, &c. as per statement ...	...	35,22,170
		40,72,947
Liabilities,		
As per statement ...	...	37,42,516
	Surplus—Rs.	3,30,431

For reasons which were entered into at some length in the Managers' reply to the Court's despatch received in 1856, I believe that the subscriptions are undervalued at Rs. 35,22,170 and that there is no reason to doubt the reality of the surplus of Rs. 3,30,431 shown above.

The Fund appears to possess at present a capital of 11 lacs in excess of the amount estimated by the Committee of 1849.

The Committee estimated that the capital of the Fund excluding the appropriations under the New Rules would amount on the 30th April 1858 to	Rs.	14,10,614
The actual result is	„	*25,06,009
	Surplus Rs.	10,95,395

* Total Capital 30th April 1858, less deposit	43,37,734
Deduct value of pensions under New Rules	18,31,725
	25,06,009

E. F. HARRISON,
Honorary Secretary.

C. F. O. 10th January 1859.

Letter from the Secretary to the Government of India, to the Managers of the Bengal Civil Fund, No. 4012, dated 13th May 1859.

I am directed to acknowledge the receipt of your Honorary Secretary's letter, dated the 30th ultimo, and its enclosure, and to inform you in reply that a copy thereof will be transmitted for the consideration and orders of the Right Honorable the Secretary of State, with an intimation that this Government sees no objection to the proposed continuance of the present rates of subscription.

Extract from the Proceedings of the Government of India in the Financial Department, dated 13th May 1859.

OBSERVATIONS.—On the 12th of March 1855, the Accountant-General to the Government of Madras reported, with reference to Rules 102 and 103 of the Madras Military Fund, cited in the margin* that the Directors of that Fund contemplated the investment in Paper of the 4 per cent. loan of a sum of 15 lakhs of Rupees out of the balance at credit of the Fund in the Madras books. On the 2nd April following, the Government of Fort St. George was informed that such an arrangement was objectionable, leading as it might to speculation and possibly to loss to the Fund, and subjecting as it did the Government to the paymentof a largeramount of donation than could fairly be claimed by the Fund ; further, that, with reference to the

* ARTICLE 102 —According to the original Rules of the Fund, all donations to it are reserved for the purpose of forming a capital ; all other income being available to meet current, and duly authorised demands.

ARTICLE 103.—According to the original Rules of the Fund, all money belonging to it in India is to be vested in the Honorable Company's Securities. It is accordingly the particular duty of the Sub-Committee of Finance and Audit, in communication with the Secretary, to make arrangements for so vesting the money of the Fund ; a floating balance sufficient to meet all current demands, being always left in the Government Treasury at Madras

practice now prevailing in like Institutions in Bengal, it was desirable that the investment of the assets of the Madras Military Fund in Government Promissory Notes, in the manner indicated in Article 103 of the Fund Rules, should be put a stop to, and that the Capital of the Fund should be invested in non-transferable Treasury Notes, bearing a fixed rate of 4 per cent. interest per annum, and a donation equal to the difference between such rate of interest, and the fixed rate of 8 per cent. allowed under the original rules.

2. The Government of Fort St. George submitted in reply, a report from the Accountant-General at that Presidency on the subject, accompanied with a letter from the Secretary of the Madras Military Fund communicating the sentiments of the Directorial Body on the remarks of the Supreme Government, in respect to the capital under its management.

3. From the report of the Accountant-General at Madras, it appears that the 15 lakhs above referred to, formed part of the balance in deposit under the head in the Madras Quick Stock Statements, of "Balance" due to the Military Fund at 5 per cent. This rate of interest on the deposit was fixed under the instructions of the Honorable Court, conveyed in their Public despatch to the Supreme Government, No. 46 of the 4th July 1832, and 3 per cent. additional was allowed by the Government on the deposit as a donation on account of the difference between the rate of 5 per cent. and 8 per cent., allowed in aid of the several compassionate Civil and Military Funds in India.

4. It further appears from the letter of the Secretary of the Military Fund, that the Directors of the Institution, with every wish to meet the views of the Supreme Government, deprecated any such change as that proposed to them, *viz.*, the investment of the Fund's capital in non-transferable Treasury Notes; that they felt themselves incompetent to elect this mode of investment, the measure being one of such magnitude as to necessitate a reference to the whole body of Subscribers; and that they considered that any alteration of the existing arrangements, would have the effect of awakening distrust in the Subscribers, and should only be undertaken on the palpable recognition, concurrently of failure in such arrangements. The Directors observed also, that while they deferred to the opinion that the investment of the Fund's capital in Government Paper to be purchased at a discount was unadvisable for the reasons represented, and that such investment should be prohibited, "they felt it to be their bounden duty, whilst acting on behalf of the interests of the Military Fund, to respectfully claim the continuance of an *entire freedom of action* as to all open Loans, or to investments in any Government Security at par, to carry out the 103rd Rule of their standing Regulations."

5. The Accountant-General of Madras added in his report above referred to that the Directors of the Madras Military Fund, had dropped the scheme of investing in 4 per cent. Paper at a discount, and that in his opinion the "freedom of action" claimed by the Directors should be allowed; and, further, that the object of the Supreme Government would be very much met by the Trustees and Directors being informed that it would be at their option to invest surplus capital, hereafter, in non-transferable Treasury Notes, bearing 4 per cent. interest, payable half-yearly.

6. The Accountant-General of Madras further stated that, when referring to the Government of India, the application of the Madras Military Fund, in respect to the 15 lakhs of Rupees under notice,

the Civil Fund was allowed by him to make an investment of a portion of their capital, (but to a smaller extent) in 4 per cent. Paper at a discount, and that very recently the Trustees of the Medical Fund had called upon him to permit the investment of 5 lakhs of their capital in the 5 per cent. Public Works Loan, and that their application had been suspended, pending a reply to the reference then made. The investment that had been effected as respects the *Civil* Fund, the Accountant-General observed, was permitted, because such investment was *not* made especially for the purpose of increasing its capital (though such was the immediate effect,) but with a view of investing in a permanent security; and, moreover, that such augmentation was not to the detriment of the Honorable Court, inasmuch as the Court would, by the investment itself, be relieved from the payment of 4 per cent on the amount of cash invested, while the payment of interest on the augmented capital would be but of comparatively trifling amount.

7. With respect to the conditions in which the 15 lakhs of Rupees were held in deposit, it appeared that there were entries from year to year in the Quick Stock Statement of Madras of several lakhs of Rupees under the head of "Balance due to the Military Fund at 5 per cent.," and it is presumed that the money in question was part of a balance in deposit under the same head. It is also presumed, that the 5 per cent. interest payable on the deposit was fixed under the instructions contained in the Court's Despatch, No. 46 of 1832; and it is further believed (though it cannot be identified in the accounts) that 3 per cent. additional is allowed by Government on the deposit, as a donation, on account of the difference between the rate of 5 per cent. fixed under the orders above referred to, and the rate of 8 per cent. originally allowed in aid of the several compassionate Civil and Military Funds in India.

8. After consideration of the above circumstances, the Madras Government was informed that the Hon'ble the President in Council was of opinion that the real object of Article 103 of the Madras Military Fund Rules would be just as effectually attained by the investment of the capital of the Fund in non-transferable Treasury Notes, as in the Notes of any of the advertised Loans; but if the mode of investment proposed by the Government was objected to by the Subscribers, His Honor in Council would not insist upon its adoption, provided it was understood that the Directors should be allowed to invest their capital in the Government Loans, only when they are at par, and that it be laid down, as a rule, that no withdrawal of the Funds of the Institution from such Loans shall be permitted for speculation or investment under any circumstances whatever.

9. It was added, "this Government cannot see what advantage is to be gained by the Fund from investing in an open Loan or in any Loan bearing higher rate of interest than that allowed on non-transferable Treasury Notes; the donation granted by Government will in any case be proportionately regulated; and while non-transferable Treasury Notes are payable on demand, and subject to no risk or loss from any fluctuations in the market, the investment of Paper at par in any of the open Loans has neither the same advantage nor the same security attaching to it."

RESOLUTION.—The Governor-General in Council observes, from what has been stated by the Accountant-General to the Government of Madras, that there is a great probability not only that the Military Fund, but that the Civil Fund, Medical Fund, and possibly some other Funds at all the Presiden-

cies, have, by investment of their assets in Government Securities, purchased at a discount, been placed in receipt of a larger amount of donation from Government than they are strictly entitled to, and that the amount of such over-payments cannot be ascertained without careful enquiry in the Offices of the Accountants at the several Presidencies, and in the Offices of the several Funds. His Lordship in Council accordingly desires that such an enquiry be instituted.

2. His Lordship in Council further observes that in regard to the Civil Fund at Madras, this error, by which Government suffers a loss, has actually been committed; and that there is no certainty to what extent the error may have prevailed.

From the Secretary to the Civil Fund, to the Secretary to the Government of India, dated the 18th May 1859.

I have the honor to acknowledge receipt of extract from the Proceedings of the Government of India, in the Financial Department, dated 13th May 1859.

In compliance with the order of Government, I am desired by the Managers and Trustees of the Bengal Civil Fund to report that, no part of the Capital of the Fund on which the additional interest is allowed by Government by way of donation, has at any time been invested in any other form than that of non-transferable Treasury Notes.

Letter from the Secretary of State, to the Governor General of India in Council, Financial No. 80,—dated London 25th May 1860.

I have received and considered in Council your Excellency's letter in this Department, dated the 26th January last, No. 17, and the papers forwarded therewith, relative to the investment by certain of the Madras Service and Charitable Funds of portions of their balances in Government Promissory Notes.

2. In their circular despatch dated the 4th July 1832, the Court of Directors directed that the rate of interest on the balances of all the Civil, Military and Medical Funds (excepting only the Civil Service Annuity Funds) should be reduced to 5 per cent. per annum, and that on the 30th April in each year, the several Funds should be granted as a donation "a sum equivalent to the difference between the amount to which the grant of such interest and of interest at the rate now allowed would produce,"

3. These orders appear to have been observed by the Managers of the several Bengal and Bombay Funds; but at Madras, the Civil Fund Charity Branch, the Military Fund, Medical Fund and Male and Female Orphan Asylum, have, by means of the investment of portions of their balances in Government Promissory Notes, purchased at a discount, obtained donations on larger nominal amounts than their actual balances.

4. The investments in Government Promissory Notes by the Madras Military Fund are stated to have been made between the years 1808 and 1841, the additional donation thereby obtained with compound interest to 30th April 1859 amounting to Rs. 66,031. The investments and donations in excess of the authorized grants obtained by the other Funds are stated as follows :—

Investment made.		Additional donation obtained, with compound interest to 30th April 1859.
Madras Civil Fund—Charity Branch ...	... in 1855	Rs. 5,353
Medical Fund	... „ 1815 to 1818	„ 9,363
Military Orphan—		
Female Asylum	... „ 1799 to 1848	„ 2,218
Male Asylum	... „ 1837 to 1851	„ 3,256

5. It is difficult to conceive how these irregular proceedings can for so many years have escaped the attention of the Madras Government. After the

receipt by the several Governments of the Circular Despatch from the Court of Directors, dated the 4th July 1832, no doubt could be entertained as to the mode in which the additional donation to make up the interest on the balances to 8 per cent, was to be calculated. While, therefore, in regard to payments previously made I refrain from requiring a re-adjustment, I desire that all donations in excess of the amount sanctioned by that despatch which have been credited to the several Funds subsequently to its receipt by the Madras Government, may be immediately re-adjusted in account.

6. The correct balances of the Funds being ascertained, the amounts thereof on which additional donations are to be paid to make up the interest to 8 per cent. must henceforth be invariably invested in non-transferable Treasury notes.

Extract from the Proceedings of a Half-yearly General Meeting of Subscribers to the Bengal Civil Fund, held on the 3rd August 1859.

The result of the votes of Subscribers for the adoption of a rule providing for fines on unequal marriages exhibiting the majorities noted opposite,* the following Rule was published under date 15th April last, as having effect from the 1st May 1859 :—

Rule.—In the event of the difference of age between a Subscriber and his wife exceeding ten years, a penalty proportionate to the injury to the Fund, caused by such inequality, shall be levied at the time of marriage, according to the scale of fines annexed to the Circular of the 10th January 1859.

* For the Rule	212
Against	35
Majority	177
For the fine being made to apply to all cases in which the husband's age exceeds the wife's by more than ten years	162
Votes for other terms	48
Majority	114

Extract from a Memorial of Eight Members of the Bengal Civil Service, to the Right Honorable the Secretary of State for India in Council, dated 28th January 1862.

HUMBLY SHEWETH—THAT your Petitioners are Members of Her Majesty's Civil Service of India, and that at the time of entering the said Service it was an exclusive Service, possessed of various privileges, present and prospective, which were secured to them by Covenant; the terms of which, among other things, recite that they were retained to serve in the Civil Service of the East India Company, according to the Regulations of the said Service, and the orders of the Company, from time to time to be in force generally, with reference to the rank, office, or station which they might serve in; and also that they should become Subscribers to two Funds established under the sanction of the said Company, one called the Civil Fund, and the other called the Annuity Fund; and that the privileges so secured to them had the further assurance of the Legislature in the

Act of 33, Geo. III., c. 52,* an Act, the provisions of which have been cited in several subsequent Statutes, and which has remained in force until modified, and in part repealed by an Act c. 54 passed in the last Session of Parliament.

2. That on the faith of the terms so secured to them, your Petitioners entered the Service, and have for many years, according to their respective periods of service, labored assiduously and devotedly in the fulfilment of the public duties assigned to them, cheerfully acquiescing in the stringent prohibitions imposed upon trade and speculation, and abstaining from every other means of securing any provision for themselves or their families than those assured to them by the settled emoluments and pensionary provisions of the Service.

3. That by reason of the exigencies of the Public Service, the privileges and prospects of many of your Petitioners have been injuriously affected, from time to time, by the appointment of persons not being Civil Servants to offices in the Civil line of the Company's Service in India, and by the general reduction of allowances, whereby the aforesaid Funds have been materially injured, and the Retiring Annuities of your Petitioners have been reduced from the anticipated sum of £1,000 per annum, after 25 years' service, to an average sum not exceeding £750 per annum; while the position of many of your Petitioners has been further injured by an alteration in the Rules for leave of absence, entailing considerable pecuniary loss, and which was made without allowing to them the same option of abiding by the old Rules which was given to the Military Service.

4. That, owing to the circumstances hereinbefore recited in connection with the increased pressure of public business in all offices, and the inconvenience arising to individuals from the harshness of the existing Rules for leave of absence, a general feeling of uneasiness has arisen in the Service, the continuance of which feeling must be highly prejudicial to the public interests.

5. That the recent Statute, 24 and 24 Vic., c. 55, legalizes the appointments heretofore made

---

* Section 56.—"And for establishing a just principle "of promotion amongst the Covenanted Civil Servants "of the said United Company in India on their Civil "establishment, and preventing all undue supercessions, "be it further enacted, that all the Civil Servants of the "said United Company in India, under the rank or degree "of Members of Council, shall have and be entitled to "precedence in the Service of the said Company, at their "respective stations, according to their seniority of ap-"pointment; and no such Civil Servant shall be capable "of being advanced or promoted to any higher station, "rank, or degree therein, than he or they shall be entitled "to according to the length of his or their service respec-"tively, any law or usage to the contrary notwithstand-"ing

Section 57.—"And be it further enacted, that all "vacancies happening in any of the offices, places, or "employments in the Civil line of the Company's Service "in India (being under the degree of Counsellor), shall "be from time to time filled up and supplied from "amongst the Civil Servants of the said Company, "belonging to the Presidency wherein such vacancies "shall respectively happen, subject only to the restric-"tions in this Act contained, and no otherwise * * "and that all appointments, advancements, and promo-"tions which shall be made for supplying any such "vacancies other than as aforesaid, shall be null and "void."

Section 59.—"And be it further enacted, that it shall not "be lawful for the Court of Directors of the said Com-"pany to appoint or send out to India a greater number "of persons in the capacity of Cadets or Writers, or in "any other capacity, than will be necessary, in addition "to those already in India, to supply the proper com-"plement of Officers and Servants contained in the said "list of their establishments, according to such returns "of vacancies at the respective establishments in India "shall transmit from thence to the said Court of "Directors."

contrary to law by reason of public exigency, repeals all previous provisions in respect to seniority, authorizes, under special circumstances and provisos without regard to the qualifications, conditions, and restrictions required by Act 33, Geo. III., c. 52, the appointment of persons not belonging to the Civil Service, to any of the offices specified in a Schedule attached to the Statute, and authorizes, without reference to such special circumstances and provisos, the appointment of such persons to any offices, other than those mentioned in the said Schedule, with exception of the office of Lieutenant-Governor.

6. That all of the above offices were heretofore reserved by law exclusively for the Service to which your Petitioners belong, and that the provisions of the said Statute by legalizing a departure from the fundamental Regulations of the Covenanted Civil Service, are undeniably subversive of the most valuable privileges to which your Petitioners are by Covenant entitled, and that, whatever may be the eventual effect, they afford reasonable grounds for very grave apprehensions on the part of your Petitioners, and especially of the younger portion of them, which, by unsettling their minds and creating anxiety respecting their future prospects, must, if continued, prove highly detrimental to the service of the State.

7. That in proof that the loss anticipated by your Petitioners will be neither slight nor remote, they would point out that already, in accordance with the new law, an officer not belonging to the Civil Service has been appointed to one of the Secretaryships of the Government of India, an office worth £5,000 per annum—hitherto exclusively held by Members of that Service—and your Petitioners apprehend that the provisions of the Statute will take effect chiefly and primarily in respect to the more valuable offices hitherto reserved for the Civil Service, to none of which do your Petitioners succeed, until after long and distinguished service.

8. That your Petitioners, while respectfully submitting to the decision of the Legislature in the throwing open of the Civil Service for India, nevertheless feel assured that Her Majesty's Government and the Legislature recognises as fully now as heretofore the propriety of not interfering with the existing interests and reasonable expectations of Public Servants, and they therefore trustfully submit their claim to the renewed assurance of that Compensation for their services to which they are, by their Covenant, entitled.

9. That your Petitioners, in urging this claim, are aware that much difference of opinion may exist as to the precise extent of injury which may accrue to each individual, and the consequent compensation to which he may be justly entitled, but they submit that there can be no question as to the direct injury done generally to their professional prospects and to the security of their Service Funds, and the measure of compensation for which they now earnestly press their claim is the assurance of the stability of those Funds with such additional advantages on retirement as may compensate for the injury to their professional prospects and the intermediate loss of emoluments which they may probably expect to incur.

10. That of these objects the maintenance of the Civil Fund, or the guarantee of the benefits provided by its present Rules to all existing Subscribers, is regarded by your Petitioners as of primary importance, inasmuch as the existence of this provision for their families, in case of death, is one of the principle inducements to enter the

Service, and greatly contributes to the maintenance of that zeal and devotedness in the Public Service, irrespective of considerations of insalubrity of climate or of personal risk, which your Petitioners believe to be one of the recognised characteristics of their Service.

11. That this Fund has for several years been supported by the contributions of the Subscribers, with but little aid from Government; but if the sources of its income are dried up by the operation of the Statute recently passed, there is no form of compensation which could be more equitably selected than the guarantee by Government, to all existing Subscribers, of the benefits assured to them by the present Rules, and they accordingly pray for such a guarantee as will assure the continuance of the present rates and conditions of pension at rates of subscription not higher than the present.

Extract from the Proceedings of a Half-yearly General Meeting of Subscribers to the Bengal Civil Fund, held on the 30th January 1862.

"It has been suggested by the Government of India that, upon the abolition of the office of Sub-Treasurer, the Secretary and Treasurer of the Bank of Bengal should be constituted the Treasurer of the Fund; and with reference to this the Officiating Advocate-General has given an opinion that the Bank will not be bound, under the terms of the agreement with Government, to conduct the business connected with "Service Funds" free of charge. The Managers have had under consideration the terms on which the Bank has offered to undertake the work, and recommend the Subscribers to agree to the transfer under the arrangement described in the extract from the Bank's communication marginally* given. The Managers have addressed the Government with the view of obtaining indemnity in respect of the annual charge resulting from this arrangement, and they trust that, looking to the connection of the Fund with Government, the aid so long afforded of the services of the Sub-Treasurer without charge, and the fact that the circumstances which have necessitated the arrangement are entirely beyond their control, Government will accede to the request. Should the Subscribers agree to the proposed transfer, the terms of Articles 11 and 21 of the Rules will require alteration, to which the assent of the Subscribers is accordingly requested.

Proposed by Mr. Dampier, seconded by Mr. Sandeman, and resolved, that this Meeting do agree to the transfer of the Treasury business of the Fund hitherto performed by the Sub-Treasurer, to the Secretary and Treasurer to the Bank of Bengal under the arrangement proposed by the Managers, expressing at the same time their hope that the Government will agree to defray the expense arising therefrom.

Proposed by Mr. Sandeman, seconded by Mr. Aitchison, and resolved, that the following alterations, rendered necessary by the above mentioned transfer, be made in Articles 11 and 21 of the Rules.

Article II.

Present Rule.

The Sub-Treasurer of Government shall, with the permission of Government, be Treasurer to the

---

* *With a charge*—by debiting the usual fees leviable in similar cases by the Agency Department (less charges for making investments), which in the case of the Civil Fund would involve a probable yearly cost of Rupees 1,456 without, however, in any respect interfering with existing arrangements otherwise as regards home disbursements on account of the Fund.

Fund, and all money and securities for money belonging to the Fund in India shall, with the like permission, be kept in the Public Treasury, subject to the direction and control of the Managers of the Fund.

Amended Rule.

The *Secretary and Treasurer to the Bank of Bengal*, shall, with the permission of Government, be Treasurer to the Fund, and all money and securities for money belonging to the Fund in India shall, with the like permission, be kept in the Treasury *of the said Bank*, subject to the direction and control of the Managers of the Fund.

Extract from a Report on Mr. Beadon's proposal to reduce the rates of subscription to the Civil Fund, with a Review of the present financial condition of the Fund, dated 17th April 1862.

10. Mr. Beadon has all along held, as he declares himself now to hold, that the unappropriated capital should be equal to the contingent liabilities of the Fund. I observe that when in 1855 Mr. Allen combated this opinion by stating that, if the capital equalled the contingent liabilities, all need of further subscription on the part of existing Members would cease, the reversionary benefits to which their families would be entitled being all provided for by the capital in hand; Mr. Beadon replied—"the value of a liability while contingent, is little more than one-fifth of the value of the same liability when it becomes actual. * * * * "The provision and maintenance of such a Fund "would, therefore, by no means relieve future Subscribers from the necessity of contributing." From the above it seems that Mr. Beadon entertained a perfectly wrong idea of what is meant by the 'present value of a contingent liability.' It may be one-fifth, one-tenth, one-twentieth, or, in fact, according to circumstances almost any fraction of the actual value of the liability when it occurs; but it, nevertheless, represents its *present value in full*, and, if laid out at interest, *will discharge that liability when it occurs in full.* In fact, this is the essential principle of the calculation; and I would only refer for further proof, if required, to the demonstration of the calculation in any treatise on the subject, or to page 23 of Neison's Report, where the meaning of the term is explained. It is clear, therefore, that the appropriated Fund need never approach in amount to the full value of the contingent liabilities. What ought it then to be? The Court of Directors recommended, though without stating the grounds of their recommendation, that the capital should equal *half* the contingent liabilities, which, the liabilities being Rupees 41,18,143, would amount to Rupees 20,59,071. Although this recommendation does not appear to have been based on any precise calculation, it is not far from the truth, as will be seen from the following equation which I have worked out with the object of ascertaining the amount at which the unappropriated capital ought normally to stand. The equation is founded on two conditions, *viz.*:—

1*st.*—That the annual income of the Fund from all sources should be equal to its annual expenditure, *i. e.*, to the amount of the annual appropriations, together with other miscellaneous expenditure.

2*nd.*—That the unappropriated capital of the contingent assets arising from subscriptions, donation, &c., should equal the contingent liabilities.

Let x = the unappropriated capital required to be found—

y = the income from other sources.

$\frac{x}{20}$ will be equal to the yearly interest of the unappropriated capital at 5 per cent.*

The first condition gives $\frac{x}{20} + y = 3,33,596$ (the average expenditure for last five years).

The second condition gives $x + y \times 7{\cdot}7$† = 41,18,143 (the estimated value of contingent liabilities).

Substituting in the second equation the value of y found in the first equation we get x = 25,19,434, which is, therefore, the normal amount at which the unappropriated capital ought to stand. It might be demonstrated that, if a rate of income be established the present value of which, as an asset, is equal to contingent liabilities, there *will necessarily* be an annual surplus of income over expenditure, which will eventually raise the capital to the normal standard. In other words, if the contingent assets be always kept equal to the contingent liabilities, there is a tendency of the capital to increase to the normal standard, and then to remain stationary.

11. Having determined the ultimate amount of capital which we are to accumulate, the time which at present rates the process of accumulation will take, can readily be determined. The ultimate standard of capital being 25,19,434, and the present amount 10,22,710, the difference, or 14,96,724, is the deficiency to be raised. The annual surplus (average of last five years) is Rupees 1,41,816, which, accruing every year, and being improved at 5 per cent. interest, will equal the amount of the above deficiency in 8½ years. The Fund has already existed on its present footing for 11 years, during which time great exertions have been made for restoring its financial condition; and from the above figures it appears that the *same* exertions will have to be continued for at least 8½ years more. I say "at least" because in the calculation I have assumed that our surplus will remain the same as it has done during the last five years, and also that our contingent liabilities will not increase. The effect of any such alteration will be to retard the attainment of the desired end.

Letter from the Honorary Secretary to the Bengal Civil Fund, to the Secretary to the Government of India, Financial Department, dated 30th April 1862.

I am desired by the Managers of the Civil Fund to request the favorable consideration by Government of the following question connected with the affairs of the Institution.

Prior to 1850, when the objects of the Fund were essentially charitable, being confined to the provision of certain benefits of such families of deceased Subscribers as might be left without adequate private means, the Government allowed 8 per cent. interest on *all* the funds subscribed for that object.

* I take 5 per cent., because in the first place we have no unappropriated capital at 8 per cent., but, on the contrary a deficiency of that branch in the appropriated Fund. We have, therefore, no immediate prospect of having any of our capital at a higher rate than 5 per cent., which is the rate at which, on the average, we are able to invest our capital.

† This factor (7·7) may be termed the average number of years' purchase of the income (y), but this definition is not quite correct, as in finding the factor account has been taken of the necessary conversion of some items from 5 per cent. to 8 per cent. The factor is very simply found by dividing the amount of contingent assets arising from the portion of income corresponding to y at the last valuation by the amount of the income itself.

In 1850, when the objects of the Fund were enlarged and the rates of subscription increased, the Court of Directors declined* to allow the same high rate of interest 'on the additional subscriptions required for the new objects of the Fund. Under this order a certain portion only of the income of the Fund, representing the amount required for the original objects, was allowed to stand at 8 per cent. interest.

In an investigation of the affairs of the Fund, made with the assistance of a professional Actuary at the time of its re-organization in 1850, it was shown that the finances of the Institution were in a very unsound condition, owing to the inadequacy of the previous rates of subscription. The capital of the Fund fell short of the value of the liabilities then actually incumbent by Rs. 8,95,744, and to represent the due proportion of the value of contingent liabilities, there was no capital at all.

The Members of the Service undertook the responsibility of making good the above deficiency, submitting with that object to a very high rate of taxation. These proceedings were approved by the Honorable Court of Directors in a Despatch No. 34, dated 4th September 1850. The whole of this extra tax, however, has been credited in the Fund's Accounts as if paid on account of the additional benefit Fund, instead of being shown, as it clearly should have been, as a subscription to the original Fund, until the value of the existing pensions on that Fund had been paid up; and the consequence has been that, although the deficiency has been much more than subscribed by the Service, and considerable progress has been made towards the establishment of a Reserve Capital, the accounts still exhibit a deficit in the original or 8 per cent. Fund, and a large surplus of Rs. 13,27,172 in the additional or 4 per cent. Fund.

Had the matter been properly represented to Government in 1850, there can be no doubt, the Managers think, that no objection would have been made to the admission of all payments on account of this deficit to benefit by the higher rate of interest which they would have carried had they been paid in, as they should have been, at an earlier period of the Fund's existence.

Through inadvertence, however, no such representation was made, and the debt in question has been paid off out of the 8 per cent. funds contributed to meet current obligations. The Fund has lost all the advantage which would have accrued from the higher rate of interest on this sum in past years, and now finds itself, as might have been expected, not only without any part of its unappropriated capital bearing interest at 8 per cent., but with a still existing deficiency of funds of that description.

' The Managers trust that it is not too late to remedy, as regards the future, the omission which has already entailed so great a loss upon the Fund, and the effects of which are now disturbing its working.

They desire me accordingly to solicit that authority may be given for the conversion of Rs. 8,95,744 of the funds now bearing interest at 4 per cent. into capital of a like amount at 8 per cent. interest.

From the Secretary to the Government of India, Financial Department, to the Managers of the Bengal Civil Fund, No. 3720 of 26th May 1862.

In reply to your Secretary's letter of the 30th ultimo, submitting a proposition for the conversion of Rs. 8,95,744 of the Funds now bearing

* Financial Despatch No. 6 of the 29th January 1851.

interest at 4 per cent. into capital of a like amount at 8 per cent. interest, I am directed to inform you that the proposal has been recommended to the Secretary of State for favorable consideration.

Extract from a Despatch from the Secretary of State, to the Governor-General of India in Council, dated 25th November 1862.

1. The Memorials from the Covenanted Civil Servants of the several Governments in India, on the subject of their retiring annuities, and of the pensions of their Widows and Orphans, together with your Financial letter, dated the 7th March 1862, No. 40, the Financial letter from Madras, dated the 8th February 1862, No. 2, the Public letter from Bombay, dated the 12th April 1862, No. 13, and the several Minutes of Members of the respective Governments in India, in reference thereto, have been considered by me in Council.

2. It does not appear to be necessary to give a detailed reply to the observations of your Government, or to the requests contained in the several Memorials as the result of the consideration by Her Majesty's Government of those observations and Memorials will be apparent from the decision which I have now to communicate.

3. In regard to the period of service which is in future to be required as a qualification for an annuity, Her Majesty's Government see no reason for altering the period of 25 years' service, and 22 years' residence, (including one year's sick leave, if such has been taken as at present), but they cannot allow any future special leave of absence from India on private affairs to count as residence.

4. No sufficient ground appears to have been assigned for increasing or altering the amount of the full annuity, which must therefore remain at £1,000, or of the amount of the percentage of deduction from salaries, which will continue at 4 per cent., the amount of subscriptions to accumulate as at present, at 6 per cent. interest.

5. Her Majesty's Government are of opinion that there is ground for making some alteration in the terms on which annuities are granted, and they have decided that a Civil Servant who has completed the prescribed period of service and residence shall be granted by Government, an annuity of £600, and that he shall have the option of taking, in addition, an annuity of the amount not exceeding £400, which his accumulated subscriptions with interest, will purchase according to the Table now in force, or of adding to his subscriptions such a sum as will purchase an annuity of any amount which added to the £600 granted by Government will not exceed the full annuity of £1,000. They have also decided that annuities without limitation as to number may be granted on application at any time to Covenanted Civil Servants who have completed the prescribed periods of service and residence, and whose resignations of the Service have been accepted, and that those Civil Servants who have obtained annuities since the Memorials were sent, in be admitted from this date to the benefit of the arrangement now sanctioned.

6. It must be clearly understood that in the event of the death of a Subscriber his accumulated subscriptions will lapse, and that no refund of subscriptions can under any circumstances be allowed.

7. Her Majesty's Government are also disposed to make some provision for Covenanted Civil Servants, who having devoted a portion of their lives and energies, and specially those years during which men qualified for a profession to the service of Government, are deprived of the

fruits of their labour by sickness which may compel them to resign the Service before they have become entitled to annuity. In any such cases, when clearly proved by medical certificate, the following pensions may be granted :—

If under 5 years' service a grant of £500.
Of 5 years' service and under 10, an annuity of £150.
Of 10 years' service and under 15, an annuity of £250.
Of 15 years' service and under 20, an annuity of £350.
Of 20 years' service and under 25, an annuity of £450.

8. Her Majesty's Government are willing to sanction the payment of all the annuities quarterly, and to the date of decease with the same option, as to payment in India or England as at present.

9. These changes will inevitably derange the calculations on which the Civil Service Annuity Funds were constituted. It is, therefore, important to consider whether any advantage could attend retaining Boards of Managers and the machinery of the Funds. Practically, all that will be required under the changes now sanctioned will be an account showing the amount deducted from the salary of each Civil Servant, and the interest thereon, and for that object the maintenance of the Funds does not appear to be necessary.

10. Before giving final orders on this point, however, Her Majesty's Government are desirous of being furnished with your opinion as to the expediency for closing the Funds.

11. It only remains for me to convey to you the decision of Her Majesty's Government as to the Bengal Civil Fund, the Madras Civil Fund, Charity Branch, the Bombay Civil Fund, Provident Branch.

12. There appears to be no ground for making any change in the management of these Funds, which will consequently as heretofore remain with the Subscribers in regard to the assistance from the State. Her Majesty's Government have no intention of withdrawing the aid which has been hitherto granted, and they see no reason for increasing it. If the Subscribers prefer it there would apparently be no objection to granting in lieu of the present indirect aids an annual sum equal to the average of the donation during the past 5 years, the future interest on the balance of the Funds being in that case fixed at 5 per cent., and the remittance at the same rate of Exchange as that fixed annually for the adjustment of transactions with the British Exchequer.

13. These changes may severally be brought into immediate operation, and a copy of this despatch will be forwarded to the Governments of Madras and Bombay respectively, for the information and guidance of those Governments.

14. I take this opportunity of transmitting to you a copy of reserved Code of Rules for the grant to Covenanted Civil Servants of furlough, and leave of absence on medical certificate, which it is desirable should be considered at the same time as the changes in regard to annuities.

15. If any provision of these Rules should appear to you to require further consideration, I am desirous that any observations which you may wish to make on the subject should be transmitted to me as early as practicable, but in the event of your having no serious observations to offer to them, they may be immediately published and acted upon.

Resolution in the Financial Department, No. 1 G of the 2nd January 1863.

* * * * * * *

* * * * * * *

2. His Excellency in Council is also pleased to direct the publication of the following para-

graphs of the same despatch, containing orders regarding the claim to assistance from the State preferred by the Bengal Civil Fund, the Madras Civil Fund (Charity Branch), and the Bombay Civil Fund (Provident Branch).

Her Majesty's Government have no intention of withdrawing the aid which has been hitherto granted, and they see no reason for increasing it. If the Subscribers prefer it, there would apparently be no objection to granting, in lieu of the present indirect aids, an annual sum equal to the average of the donations during the past five years, the future interest on the balance of the Funds being in that case fixed at 5 per cent., and the remittance of the sums required by the Funds in England being made at the same rate of exchange as that fixed annually for the adjustment of transactions with the British Exchequer.

Letter from the Secretary to the Government of India, Financial Department, No. 73 G of 10th January 1863, to the Managers of the Bengal Civil Fund.

I am directed to draw your attention to the extract from the orders of the Secretary of State, published under the 2nd paragraph of Financial Resolution, No. 1 G of the 2nd instant, in the *Government Gazette* of the 3rd idem, regarding the aid to be afforded by the State to the Civil Fund, and to request that you will be good enough to take the sense of the Service on the question, and submit the result to this Department without delay.

Extract from the Proceedings of a Half-yearly General Meeting of Subscribers to the Bengal Civil Fund, held on the 28th January 1863.

"The Managers desire to inform the Meeting that they have altered, with effect from the 1st October last, the proportion in which pensions are discharged from the Ordinary and Additional Funds. The previously existing proportion, *viz.*, two-thirds from 'Ordinary,' and one-third from 'Additional,' was fixed by the Managers in 1852; but it has been found to operate injuriously on the Fund by creating comparatively too great a drain on the ordinary capital. The Managers have accordingly adopted the proportion calculated by Mr. Davies in paragraph 5 of his report, and have caused 53 per cent. of pension-payments to be debited in future to the Ordinary, and 47 per cent. to the Additional branch.

"With reference to the recent Memorial, in which, as regarded the Civil Fund, 'the guarantee by Government to all existing Subscribers of the benefits secured to them by the present Rules at rates not higher than the present, was solicited, the Government of India have transmitted to the Managers, with a request that the sense of the Service may be taken thereon, the following extract from the Secretary of State's Despatch of the 25th November 1862, No. 193:—

"'Her Majesty's Government have no intention of withdrawing the aid which has been hitherto granted, and they see no reason for increasing it. If the Subscribers prefer it there would apparently be no objection to granting, in lieu of the present indirect aids,* an annual sum equal to the average of the donations during the past five years, the future interest on the balance of the funds being in that case fixed at 5 per cent., and the remittance of the sums required

* The ordinary capital stands at 8 per cent. interest, of which 4 per cent. is regarded as a donation.

by the Fund in England being made at the same rate of exchange as that fixed annually for the adjustment of transactions with the British Exchequer.'"

"The adoption of the above suggestion would involve the acceptance of a fixed annual donation equal to 4 per cent. on the average capital of the Ordinary branch for the last five years in lieu of the difference between interest at 8 per cent. (as at present) and 5 per cent. (as proposed,) *i. e*, in lieu of interest at 3 per cent, on the amount at which the capital in question will stand in future years. The Managers observe that the capital of the Ordinary branch is rapidly increasing, and will necessarily increase for years to come while the Fund is under approach to maturity.

"They regard the suggested measure, therefore, as obviously disadvantageous, and do not recommend its adoption.

Despatch from the Right Hon'ble the Secretary of State for India, to the Government of India, dated 27th December 1862, No. 217, with endorsement by the Secretary to the Government of India, Financial Department, of 7th February 1863, No. 279 A.

I have received and considered in Council your Financial letter, dated the 26th May 1862, No. 75, forwarding a letter from the Managers of the Bengal Civil Fund, soliciting authority for the conversion of Rs. 8,95,744 of the balance of that Institution, now bearing interest at 4 per cent., into capital of a like amount at 8 per cent. interest.

2. I am desirous of being informed upon what ground the deficit in 1850 is stated at Rs. 8,95,744; the computation of the Actuaries who were consulted in this country having produced amounts differing considerably from that sum, the deficit in 1850 having been estimated by the late Mr. Griffith Davies at Rs. 6,10,272, while the estimate of Mr. Neison was yet more favorable.

3. I also desire to know how far this deficit has been met by the additional subscriptions realized specifically for the purpose of the original fund upon which the Government have been paying 8 per cent. interest.

4. When the amount of the deficit in the capital, applicable to the original objects of the Funds, shall have been accurately ascertained and transferred, I sanction the payment of the full rate of 8 per cent. interest on that amount, but only from the date of the recent application of the Managers.

Ordered, that a copy of the foregoing Despatch be sent to the Managers of the Bengal Civil Fund, in reply to their Secretary's letter of the 21st January 1863, with a request that the information required by the Secretary of State in paras. 2 and 3 of the above Despatch, as to the ground upon which the deficit in 1850 is stated at Rs. 8,95,744, and how far this deficit has been met by additional subscriptions, may be speedily furnished.

Ordered further, that a copy be sent to the Accountant-General to the Government of India for information and guidance.

Letter from the Officiating Accountant-General, to the Secretary to the Government of India, Financial Department, No. 1907, dated 19th February 1863, with endorsement therein by the Secretary to the Government of India, in the Financial Department, of 17th March 1863, No. 942.

I have the honor to acknowledge the receipt of your docket No. 269 A, dated 7th February 1863,

forwarding for my information and guidance copy of a Financial Despatch No. 217, dated 27th December 1862, from the Right Hon'ble Sir Charles Wood, Secretary of State for India.

2. In reply, I have the honor to submit, for the information and consideration of Government, the accompaying Statement drawn up in the Fund's Office,* and authenticated by the Secretary and Accountant of the Fund, and verified in this Office, showing the amount of capital of the Bengal Civil Fund, Ordinary, on which 8 per cent. interest was drawn in 1850, and the amount of capital of the same Fund on which 8 per cent. interest was drawn on the 30th April 1862, and in each intermediate year between 1850 and 1862.

3. From this Statement it is apparent that the deficit of Rs. 8,95,744 alluded to in the Secretary to the Civil Fund's letter, dated 30th April 1862, to your address (and referred to in Sir Charles Wood's Despatch,) as having existed in 1850 in the capital of the Fund as compared with the value of the funds then actually Incumbent Liabilities had, at the date of the Secretary of State's Despatch under reference, been completely made up by the amount of the former, and additional subscriptions realized specifically for the purposes of the original Funds as provided for in the Committee's Report in 1849; and that the Fund is now receiving from Government 8 per cent. interest on a larger capital than the amount of the total capital of the Fund in 1850, plus the estimated deficit of Rs. 8,95,744 referred to, as shown below, and that the said deficit no longer exists :—

	Rupees.
Capital in 1850	18,17,304
Add estimated deficit of actual Incumbent Liabilities in 1850	8,95,744
Total ...	27,13,048
Capital on 30th April 1862, bearing interest at 8 per cent.	30,65,911
Excess ...	3,52,863

4. Under the circumstances thus disclosed, it appears that the Fund was receiving on the 30th April 1862, the date of the application of the Managers, the full interest at 8 per cent. conditionally sanctioned in the 4th paragraph of Sir Charles Woods's Despatch, and which appears therefore to have been needlessly applied for.

5. I may add that from the accounts of the Fund laid before the last General Meeting of Subscribers on the 28th January 1863, closed to 30th April 1862, published in the *Government Gazette* of the 7th instant, it will be apparent that there are now no actual Incumbent Liabilities, the value of which is unprovided for by the existing capital of the original fund bearing 8 per cent. interest.

Copy of the foregoing letter forwarded to the Managers of the Bengal Civil Fund, with reference to the communication from this Department, No. 269 A, dated 7th February 1863, and with a request that this Department may be informed whether, under the circumstances now mentioned, the Managers are disposed to withdraw their application.

* Civil.

Extract from a Report of the Committee nominated by the Managers of the Annuity and Civil Funds to consider certain measures proposed by the Secretary of State in connection with the Funds, dated 21st May 1863.

Of these objects, the Memorialists stated, the maintenance of the Civil Fund, or the guarantee of the benefits provided by its present Rules to all existing Subscribers, is regarded as of primary importance, and in this view they prayed for such a guarantee as will ensure the continuance of the present rates and conditions of pension at rates of subscription not higher than the present.

The proposal of the Secretary of State bearing on this point is as follows :—

Her Majesty's Government have no intention of withdrawing the aid which has been hitherto granted, and they see no reason for increasing it. If the Subscribers prefer it, there would apparently be no objection to granting, in lieu of the present indirect aids, an annual sum equal to the average of the donations during the past five years, the future interest on the balance of the Funds being in that case fixed at 5 per cent., and the remittance of the sums required by the Fund in England being made at the same rate of exchange as that fixed annually for the adjustment of transactions with the British Exchequer.

In your report, which was laid before the January Meeting of Subscribers, the following observations were made :—

The adoption of the above suggestion would involve the acceptance of a fixed annual donation equal to 4 per cent. on the average capital of the ordinary Branch for the last five years, in lieu of the difference between interest at 8 per cent. (as at present), and 5 per cent. (as proposed), *i. e.*, in lieu of interest at 3 per cent. on the amount at which the capital in question will stand in future years. The Managers observe that the capital of the ordinary Branch is rapidly increasing, and will necessarily increase for years to come, while the Fund is under approach to maturity. They regard the suggested measure, therefore, as obviously disadvantageous, and do not recommend its adoption.

From the above your Committee conclude that you have interpreted that part of the Secretary of State's proposal which contemplates the grant in future of 5 per cent. interest "on the balance of the Funds as referring only to the balance of the ordinary Branch Funds on which the donation of 4 per cent. interest has hitherto been given, and not to the balance of the ordinary and additional Funds together.

In this view your Committee agree in the unfavourable opinion expressed by you on the proposal. Their reasons are as follows :—

The capital of the ordinary Branch in 1857 was Rupees 24,94,895, and in 1862 it was Rupees 30,65,911, the increase in five years being thus Rupees. 5,71,016, or at the rate of Rupees 1,14,203 per annum ; and your Committee think that they are safe in assuming Rupees 1,00,000 per annum as the rate of increase for some years to come. They are aware that as the Fund approaches maturity, and the total liabilities tend to a maximum, the yearly increase will lessen ; they are aware, too, that the increase of past years is not solely caused by the ordinary approach of the Fund's liabilities and corresponding assets to a maximum, but also by the realization of capital to make up a deficiency in the value of the assigned pensions of previous years ; but though for both these reasons the future increase may not necessarily be so rapid as

in past years, it must be remembered that by a recent reduction in the proportion of payment of pensions from 8 per cent. funds a saving in the expenditure of 8 per cent. capital, amounting to about 40,000 Rupees per annum, will be effected, which will tend to keep up the yearly increase of capital. The assumption, therefore, of a yearly increase of capital of 1,00,000 Rupees is considered by your Committee to be a very moderate one.

By thus estimating the yearly increase of capital, the means are furnished for calculating the amount of 3 per cent. interest thereon, which, as shown in your remarks, is the income to be exchanged for a fixed donation, calculated on the average donation received in the shape of 4 per cent. interest on the capital during the five previous years. The actual interest receipts at 8 per cent. for the last five years amount to Rupees 10,69,810, and the portion (4 per cent.) of this regarded as donation is, therefore, Rupees 5,34,905, the yearly average being Rupees 1,06,981. The following Statement exhibits approximately the yearly gain or loss on the above assumption :—

YEARS.	Capital assumed to increase by one lakh each year.	Proposed fixed Donation in lieu of 3 per cent. Interest.	3 per cent. Interest on Capital.	Gain, if proposal be accepted.	Loss, if proposal be accepted.
	Rs.	Rs.	Rs.	Rs.	Rs.
1862-63 ...	30,65,911	1,06,981	91,977	15,004	
1863-64 ...	31,65,911	1,06,981	94,977	12,004	
1864-65 ...	32,65,911	1,06,981	97,977	9,004	
1865-66 ...	33,65,911	1,06,981	1,00,977	6,004	
1866-67 ...	34,65,911	1,06,981	1,03,977	3,004	
1867-68 ...	35,65,911	1,06,981	1,06,977	4	
1868-69 ...	36,65,911	1,06,981	1,09,977	.....	2,996
1869-70 ...	37,65,911	1,06,981	1,12,977	.....	5,996
1870-71 ...	38,65,911	1,06,981	1,15,977	.....	8,996
1871-72 ...	39,65,911	1,06,981	1,18,977	.....	11,996
1872-73 ...	40,65,911	1,06,981	1,21,977	.....	14,996

From the above it appears that during the first six years, the Fund would gain somewhat by accepting the proposal, but would lose it again in the next five years; and would, thereafter, be a steady loser to a large and yearly increasing amount.

In the above remarks your Committee have assumed the correctness of your interpretation of the Secretary of State's meaning, but it seems to them that the expression "balance of the Funds" should be regarded as applying not only to the hitherto privileged capital held in 'book debt' with Government, but also to the balance (now invested in Government Securities) of the additional branch of the Fund. This view of the Secretary of State's intention materially alters the case, as will be shewn presently.

The price paid for the existing stock of the additional Branch, as it stood in February last, is Rupees 26,45,112, for which Rupees 1,30,081 is received as interest on the Securities held, giving an average rate of interest of 4·9 per cent. Were it probable that the market rate at which Government Securities are purchasable would be in future what it has been during the last 13 years the offer of 5 per cent. interest would not very greatly affect the income of the Fund; but, in point of fact, the market price is already much above the average price given during the period in question and the interest obtainable on money so invested has, of course, been proportionately reduced. The tendency, moreover, is still to fall. The future rate of interest obtainable on Government Security investments can scarcely be assumed higher than (if, indeed, it can be assumed so high as) 4·6† per cent. In this view the gain by obtaining 5 per cent. interest on the additional Fund balance (supposing the Securities to be sold and placed in the hands of Government) would be ⅗ths per cent. on the market value.

The capital was valued in February last at Rupees 28,25,022, so that the gain in the first year would be ⅗ths per cent. on that sum, or Rupees 11,300. But the capital of the additional Fund is yearly increasing—the average increase for the last five years being upwards of two lakhs per annum; and as this Branch is yet in its infancy, a continued increase at nearly the same rate might, for some years, be expected were it not for the recent change in the proportion of pension payments debited to it. This change will reduce the increase to about Rupees 1,60,000 per annum. On this assumption the progressive yearly gain by the reception of 5 per cent. interest will be as follows :—

			Rupees.
1862-63	...	...	11,300
1863-64	...	...	11,940
1864-65	...	...	12,580
			&c.,

&c., the yearly increment to the yearly gain being Rupees 640. By amalgamating the results obtained in respect of both Branches we get the following :—

			Gain. Rupees.
1862-63	...	...	26,304
1863-64	...	...	23,944
1864-65	...	...	21,584
			&c.,

&c., the yearly decrement in the gain being Rupees 2,300. Before expressing any opinion on the advisability of adopting the measure, your Committee proceed to notice the remaining portion of the proposal relative to the rate of exchange which in that case would be conceded.

The Secretary of State offers, in conjunction with the previous part of proposal, to allow the remittance of the sums required by the Fund in England "at the same rate of Exchange as "that fixed annually for the adjustment of trans-"actions with the British Exchequer." The existing rate of exchange allowed to the Civil Fund is 2*s.* 1*d.* per Sicca Rupee, or 10·24 Rupees to the Pound; and the rate fixed during the last few years for transactions with the British Exchequer has been 2*s.* to the Rupee, or Rupees 10 to the Pound. Your Committee have no means of knowing what rates are likely to be fixed in future years, and will, therefore, take the abovementioned rate as the basis of comparison.

It is evident that by its adoption the Fund will gain ·24 of a Rupee on every Pound disbursed

† This was the average rate per cent. on the market value of the capital in February last.

in England. In 1861-62 the disbursements in England amounted to £47,152, the gain on which by the proposed rate of exchange would have been Rupees 11,316, and as the disbursements in England are yearly increasing by about £3,800, and must continue to increase for many years to come, there will be a yearly increment to this gain of about Rupees 900.

In making the above remarks your Committee have presumed that the *rate of exchange* only, and not the *system of adjustment*, will be affected by the Secretary of State's proposal. This presumtion is important; for under the existing system of adjustment advances made in England for the payment of pensions are recovered in India 12 months after date, with interest at 4 per cent., leaving the Fund to profit by the higher rate of interest obtained on the money of which the payment is differed. This advantage, supposing the whole funds under the proposed arrangement to stand at 5 per cent., amounts to 1 per cent. on the entire disbursements, or about Rupees 4,828, the loss of which, if involved in the acceptance of the subsidiary exchange arrangement, would seriously affect the advantage it confers.

Taking the results previously given on the supposition that the first part of the proposal refers to the entire balance of the Fund, and amalgamating them with the results arrived at in respect of the second part of the proposal, the following figures are obtained :—

			Gain. Rupees.
1862-63	...	...	37,620
1863-64	...	...	36,160
1864-65	...	...	34,700
			&c.

&c., the yearly decrement of gain being Rupees 1,460.

It thus appears that if, as your Committee think, the Secretary of State's proposal refers to the *whole* balance of the Fund, and if, as they presume, the alteration of the rate of exchange will not affect the system of adjustment, the Fund will continue to be the gainer for at least 25 years, and probably for good, inasmuch as the only counteracting influence depends on the continued increase in the capital of the ordinary Branch,—an increase which, looking to the circumstances of that Branch, your Committee cannot think will continue long enough even to stem the tide of gain, much less eventually to counterbalance it. It may be observed, moreover, that by the time the adoption of the proposal will take effect, the accounts of the year 1862-63 will have been rendered, which, it is expected, by raising the average donation of the last five years, will increase the fixed donation calculated thereon. It is important to observe, moreover, that, if any reduction of "ordinary" subscriptions takes place, as it is not improbable in the course of so long a period, the expediency of adopting the proposal is enhanced. Your Committee would also observe that the release of the Fund from dependence on the varying money market in respect of its additional funds, and the substitution of a fixed and uniform rate of interest for the whole capital of the Fund, would greatly simplify the system of estimation of its assets and liabilities.

On the whole, if the assumed and, in the opinion of your Committee, natural interpretation of the Secretary of State's proposals as given above be correct, your Committee are inclined to recommend their adoption; but they would suggest the advisability, especially as some delay will probably be otherwise necessary in giving effect to the change of obtaining the opinion of an Actuary on the question in connection with the review of the affairs of the Fund generally.

In giving this advice your Committee are, to some extent influenced by the results of a comparative valuation of the Fund's assets and liabilities for April 1862 on the existing and proposed basis. These results are as follows :—

Liabilities.	£.	Existing rate of Exchange Rupees at 10·24.	Proposed rate of Exchange Rupees at 10.
	£		
Incumbent Pensions	3,94,938·7	40,44,171	39,49,387
Contingent Pensions	4,12,191·1	42,20,837	41,21,911
Management Charges	.....	94,382	94,382
Total ...	.....	83,59,390	81,65,680

Assets.	Value in 8 per cent. money at existing rates of Interest.	Value in 8 per cent. money at proposed rates of Interest.
Realized Capital	47,13,981	40,04,666
"Ordinary" Income	21,30,023	15,52,786
"Additional" Income	9,49,873	10,63,845
Total ...	77,93,877	67,11,297
Add value of donation of Rupees 1,06,981 at 12·129 years' purchase, being the average years' purchase of Members' lives (on the supposition of Interest at 5 per cent.) with reduction (·798) for equivalent value in 8 per cent. money	.....	10,35,463
Grand Total ...	77,93,877	77,46,760
Deficit ...	5,65,513	4,18,920

From the above it appears that, under the operation of the proposed arrangement, the deficit shown by the Estimate is reduced by nearly 1½ lakhs; but your Committee do not consider that the valuation affords an exact basis of comparison for the following reasons :—

I.—By the essential principle of the valuation the transactions, so to speak, of only one generation are brought under comparison; or more correctly, it is presumed, in the valuation that no new Members will enter the Fund, the assets realized and prospective of *existing* Members being balanced with the liabilities, incumbent and prospective, dependent for their discharge on the realized capital and the future subscriptions of those Members. From what has already been said it is manifest that a composition, which might benefit one generation, might injure another.

II.—The valuation of the donation has been measured by the lives of existing Members, whereas the interest in lieu of which it is received depended, so to speak, on the longer life of the capital. Closely connected with this latter point is the fact that the "contingent" portion of the assets of the Fund is increased at the expense of the "realized" portion. The interest, which, in virtue of its inseparable relation to realized capital, was previously classed as "realized," is exchanged for income which comes under the contingent class of assets; a glance at the preceding figures will show that, under the operation of the proposed system, the unappropriated capital, *i. e.*, the excess of realized capital over incumbent liabilities, will almost entirely disappear. Looking to the unappropriated Fund as representing, so to speak, in hard cash, the accrued interests of *existing* Members, and the contingent assets for which it is exchanged as belonging to them only in a contingent sense or degree, and to the possibility (however improbable) that the Fund may be consigned to a gradual death by the non-admission of new Members, and, perhaps, in consequence to a rateable diminution of the yearly donation, it may be a question whether, if the proposal be accepted, some distinct understanding should not be come to as to the continuance and proprietorship of the donation.

On the whole, the additional light thrown on the effect of the adoption of the proposed arrangement by putting it to the test of a regular valuation only confirms your Committee in the opinion already expressed, that, while there seems reason for believing that the acceptance of the proposal would be beneficial, the matter is one on which the Service would act wisely in obtaining first the opinion of a professional Actuary.

Letter from the Honorary Secretary to the Bengal Civil Fund, to the Secretary to the Government of India, dated 7th July 1863.

With reference to the communications from your Office noted on the margin,* on the subject of the application made in April 1862 by the Managers of the Bengal Civil Fund, for sanction to the transfer of certain funds from the Additional to the Ordinary Branch of the Institution, I am directed to state that the Managers have considered the objections raised by the late Officiating Accountant-General to the concession conditionally made by the Secretary of State in respect of their proposal; and have deemed it proper, with the view of avoid-

* No. 269A, dated 7th February, forwarding copy of Secretary of State's Despatch No. 217, dated 27th December 1862 (see page 216).

No. 942, dated 17th March 1863, forwarding copy of Mr. Harvey's letter No. 1907, dated 19th February 1863. (see page 217).

ing even the appearance of pressing an unfounded claim, to refer the matter for the opinion of a professional Actuary.

A resume of the state of the question is given in Appendix XII. of the accompanying printed report, from which the Government of India will perceive that the question at issue is one on which the obtainment of a professional opinion is desirable.

APPENDIX XII.

Memorandum relative to the application for the transfer to the 8 per cent. head of certain funds now standing under the 4 per cent. head.

On the 30th April 1862, the following letter was addressed to the Government of India by direction of the Managers :—

"I am desired by the Managers of the Civil Fund to request the favourable consideration by Government of the following question connected with the affairs of the Institution.

"Prior to 1850, when the objects of the Fund were essentially charitable, being confined to the provision of certain benefits to such families of deceased Subscribers as might be left without adequate private means, the Government allowed 8 per cent. interest on *all* the funds subscribed for that object.

"In 1850, when the objects of the Fund were enlarged and the rates of subscription increased, the Court of Directors declined* to allow the same high rate of interest "on the additional subscriptions required for the new objects of the Fund." Under this order a certain portion only of the income of the Fund, representing the amount required for the original objects, was allowed to stand at 8 per cent. interest.

* Financial Despatch No. 6 of the 29th January 1851.

"In an investigation of the affairs of the Fund, made with the assistance of a professional Actuary at the time of its re-organization in 1850, it was shewn that the finances of the Institution were in a very unsound condition, owing to the inadequacy of the previous rates of subscription. The Capital of the Fund fell short of the value of the Liabilities then actually incumbent by Rupees 8,95,744, and to represent the due proportion of the value of Contingent Liabilities, there was no Capital at all.

"The Members of the Service undertook the responsibility of making good the above deficiency, submitting with that object to a very high rate of taxation. These proceedings were approved by the Honorable Court of Directors in a Despatch No. 34, dated 4th September 1850. The whole of this extra tax, however, has been credited in the Fund's Accounts as if paid on account of the additional benefit fund, instead of being shewn, as it clearly should have been, as a subscription to the original Fund, until the value of the existing pensions on that Fund had been paid up; and the consequence has been that, although the deficiency has been much more than subscribed by the Service, and considerable progress has been made towards the establishment of a Reserve Capital, the accounts still exhibit a deficit in the original or 8 per cent. Fund, and a large surplus of Rupees 13,27,172 in the additional or 4 per cent. Fund.

"Had the matter been properly represented to Government in 1850, there can be no doubt, the Managers think, that no objection would have been made to the admission of all payments on account of this deficit to benefit by the higher rate of interest which they would have carried had they

been paid in, as they should have been, at the earlier period of the Fund's existence.

"Through inadvertence, however, no such representation was made; and the debt in question has been paid off out of the 8 per cent. funds contributed to meet current obligations. The Fund has lost all the advantage which would have accrued from the higher rate of interest on this sum in past years, and now finds itself, as might have been expected, not only without any part of its unappropriated Capital bearing interest at 8 per cent., but with a still existing deficiency of funds of that description.

"The Managers trust that it is not too late to remedy, as regards the future, the omission which has already entailed so great a loss upon the Fund, and the effects of which are now disturbing its working.

"They desire me accordingly to solicit that authority may be given for the conversation of 8,95,744 Rupees of the funds now bearing interest at 4 per cent. into Capital of a like amount at 8 per cent. interest."

In February last the following reply from the Secretary of State was communicated to the Managers by the Government of India :—

"I have received and considered in Council your Financial letter, dated the 26th May 1862, No. 75, forwarding a letter from the Managers of the Bengal Civil Fund, soliciting authority for the conversion of Rupees 8,95,744 of the Balance of that Institution, now bearing interest at 4 per cent. into Capital of a like amount at 8 per cent. interest.

"2. I am desirous of being informed upon what ground the deficit in 1850 is stated at Rupees 8,95,744; the computation of the Actuaries who were consulted in this Country having produced amounts differing considerably from that sum, the deficit in 1850 having been estimated by the late Mr. Griffith Davies at Rupees 6,10,272, while the estimate of Mr. Neison was yet more favorable.

"3. I also desire to know how far this deficit has been met by the additional subscriptions realized, specifically for the purposes of the original Fund upon which the Government have been paying 8 per cent. interest.

"4. When the amount of the deficit in the Capital, applicable to the original objects of the Fund, shall have been accurately ascertained and transferred, I sanction the payment of the full rate of 8 per cent. interest on that amount; but only from the date of recent application of the Managers."

On the receipt of the above reply I submitted to the Managers a Memorandum, in which I explained, with reference to the 2nd paragraph of the Secretary of State's letter, that the sum of Rupees 8,95,744 was the deficit exhibited by an estimate made of the state of the Fund on the 30th April 1850* which had been adopted in preference to the estimates furnished either by Mr. Davies or Mr. Neison, because the data on which the latter had been founded were in many respects incorrect. I drew attention to the errors arising from wrong data pointed out in this Report (p. 15), and I also noticed particularly the large error arising from the calculation of all the pensions then incumbent at *full rates* with a corrective reduction of ¼th of their value on the

	Rupees.
* Incumbent Liabilities	27,47,086
Ditto Capital	18,51,342
Deficit	8,95,744

ground that the actual yearly payments of the pensions were ¼th less than if they had been at full rates. This was a rough mode of calculation, and, as will be seen presently, had the effect of greatly diminishing the deficit. To put the matter on an exact footing I had a regular valuation in detail made out for 1st January 1850 on Davies' Tables; the results of which and of that of 30th April 1850, were stated as follows:—

Valuation as on 30th April 1850.

81 Widows ...	...	... £196,917·3
84 Daughters	...	... „ 51,988·6
56 Sons ...	...	... „ 19,364·2
		£268,270·1
	Rupees	27,47,086
Assets 30th April 1850...	...	18,51,342
Deficit ...	...	... 8,95,744

Valuation as on 1st January 1850.

81 Widows varying in ages		... £205,543·2
84 Daughters ditto ...		... „ 52,553·4
56 Sons ditto		... „ 20,268·4
		£278,365·0
	Rupees	28,50,457
Assets 1st January 1850	...	17,98,521
Deficit ...	...	... 10,51,936
Deduct the amount recently shown to have been uncredited on the 1st January 1850, and which has since been placed with interest at the disposal of the Fund ...	...	46,554
Net deficit	Rupees	10,05,382

With reference to the second enquiry of the Secretary of State, viz., "how far this deficit has been met by the "additional subscriptions, realized specifically for the purposes of the original Fund, upon which the Government "have been paying 8 per cent. interest;" I further explained that the only "additional subscription" imposed in 1850, and devoted to the purposes of the original Fund was ½ per cent. on the salaries of Members; the pre-existing subscriptions having been calculated to amount to 2 per cent. I observed, however, that this additional rate must in part at least, if not altogether, be regarded as an addition made to raise the previous income (which had been found insufficient) to a proper standard irrespective altogether of the deficiency. But even if the whole extra ½ per cent. were to be regarded as a temporary tax intended to meet the deficiency, I observed that the proceeds thereof, so far from being equal to its gradual liquidation, were only sufficient to cover a little more than one-half the interest of the deficit.

I observed further with reference to certain objections which will be noticed hereafter that, although the deficit in the appropriations for

Incumbent Pensions had now been* nearly made up, it had been effected by appropriating for the pensions assigned prior to 1850 funds which were equally required to represent the accrued reversionary interests of the Subscribers. We had merely transferred, so to speak, the deficit from the appropriated to the unappropriated Fund, a fact which could not in reason be held to deprive us of the claim to present consideration on its account.

The ordinary branch representing the old Fund was then, I observed, and *is still* abnormally† deficient in realized capital, and in this state has been, and is still, deprived of the full measure of additional interest which Government allows as a grant-in-aid. In 1850 the deficiency of realized capital exhibited itself both in the Appropriated and Unappropriated Funds. The former deficiency having been first supplied, the latter only now remains.

It was perhaps to be regretted, I observed, that the deficit in the Appropriated Fund in 1850 had been made the basis of our present claim. It was so made simply because it was a tangible determinable amount as distinguished from the less tangible but much larger amount by which the Fund, as a whole, fell short of its normal amount of realized capital. In submitting the application it was explained by the Managers that the deficit in the Appropriated Fund stood side by side with the less tangible but equally real deficiency of Funds "to represent the due proportion of the value of Contingent Liabilities;" and in bringing the former forward as a moderate measure of their present claim, it was assumed (what is really the case) that the Funds by which it has since been partially defrayed would have been entitled to the 8 per cent. interest *independently of the use actually made of them;* and that had they, as they might have without exceeding normal limits, been held as representing accrued interests of Subscribers, *the*

* By the valuation of 1862, given in this Report (see page 24), it appears that the Incumbent Pensions of the ordinary branch are valued at Rupees 33,09,625, and the realized capital at Rupees 30,65,911, the deficit being Rupees 2,43,714. If, however, the new proportion of payment for New Rule pensions be taken, the value of the Incumbent Liabilities of the ordinary branch will be reduced by Rupees 3,01,164, which gives a surplus of Rupees 57,450. This surplus is again converted into a deficiency by the following corrections explained in pages 25 and 26 of this Report.

	Rupees.
Surplus as above	57,450
Add balance uncredited on 30th April 1862, but since placed to credit	1,19,333
Add difference in the estimate of Liabilities if the practical instead of the nominal rate of Exchange be assumed	2,07,638
Total ...	3,84,421
Deduct one year's Pension Payments of the ordinary branch, paid in advance by Government	3,98,881
Net deficit ...	14,460

† By an *abnormal condition*, I mean a condition in which the Assets are not duly represented by *realized capital* and *value of income* respectively. A Fund may be quite solvent, *i. e.* with value of Liabilities and Assets balanced, and yet be in an abnormal condition in respect of the proportion between realized and contingent Assets. Our Fund, for instance, might not have one farthing of realized capital to represent accrued interests, these interests being entirely met by the value of future income; but in such a case liabilities which ought to be represented by the proceeds of past subscriptions are being devolved on the proceeds of future subscriptions, or in other words one generation is paying the debts of another. In this view I call the ordinary branch of our Fund abnormally deficient in realized capital, and I maintain that we are still paying the debts of our predecessors, and that at a very high rate of interest.

deficit of Appropriated Funds in 1850 would still have remained unliquidated.

This was the principle on which that deficit was taken as the measure of the present claim, and it seems to me that the following objection raised by the Accountant General is based on an entire misunderstanding of that principle :—

"I have the honor to acknowledge the receipt of your Docket No. 269A, dated 7th February 1863, forwarding for my information and guidance copy of a Financial Despatch No. 217, dated 27th December 1862, from the Right Honorable Sir Charles Wood, Secretary of State for India.

"2. In reply I have the honor to submit, for the information and consideration of Government, the accompanying Statement drawn up in the Fund's Office, and authenticated by the Secretary and Accountant of the Fund, and verified in this Office, shewing the amount of capital of the Bengal Civil Fund Ordinary on which 8 per cent. interest was drawn in 1850, and the amount capital of the same Fund on which 8 per cent interest was drawn on the 30th April 1862. and in each intermediate year between 1850 and 1862.

"3 From this Statement it is apparent that the deficit of Rupees 8,95,744 alluded to in the Secretary to the Civil Fund's letter, dated 30th April 1862, to your address (and referred to in Sir Charles Wood's Despatch) as having existed in 1850 in the capital of the Fund as compared with the value of the Liabilities then actually Incumbent had, at the date of the Secretary of State's Despatch under reference, been completely made up by the amount of the former and additional subscriptions realized specifically for the purposes of the original Fund as provided for in the Committee's Report in 1849; and that the Fund is now receiving from Government 8 per cent. interest on a larger capital than the amount of the total capital of the Fund in 1850, plus the estimated deficit of Rupees 8,95,744 referred to, as shewn below, and that the said deficit no longer exists :—

	Rupees.
Capital in 1850	18,17,304
Add estimated deficit of actual Incumbent Liabilities in 1850 ...	8,95,744
Total ...	27,13,048
Capital on 30th April 1863, bearing interest at 8 per cent.	30,65,911
Excess ...	3,52,863

"4. Under the circumstances thus disclosed, it appears that the Fund was receiving on the 30th April 1862, the date of the application of the Managers, the full interest at 8 per cent. conditionally sanctioned in the 4th paragraph of Sir Charles Wood's Despatch, and which appears therefore to have been needlessly applied for.

"5. I may add that from the accounts of the Fund laid before the last General Meeting of Subscribers on the 28th January 1863, closed to 30th April 1862, published in the *Government Gazette* of the 7th instant, it will be apparent that there are now no actual Incumbent Liabilities, the value of which is unprovided for by the existing capital of the original fund bearing 8 per cent. interest."

As already stated I regard the Accountant General's objection as based on an entire misapprehension of the principle on which the application was made.

The following objection has also been recorded by a Member of the Management. :—

"The effect of it (the application made by the "Managers) is that we are asking the Government "to give us interest on Capital which we have not "got, but which we might have had if the sub-"scriptions previous to 1850 had been higher than "they were, or if the Service had then consented to "tax themselves at a higher rate than they did; "and the simple question is:—Is the claim a fair one?"

To the above I would reply that we ask for interest on capital which we *have got*, now standing under the additional head, subscribed for objects essentially the same and by the same body of Subscribers. Assured that the common interests of the two Branches of the Fund will be furthered by the measure, we come with the request for 8 per cent. interest on capital which we have got, and are ready to place in the hands of Government.

To recapitulate—I have shewn that the deficit of 1850 was made the measure of our present claim on the principle that, if the funds subscribed since 1850 had been used to a legitimate extent, to represent the accrued interests of those who subscribed them, the deficit of 1850 would still have been unliquidated; that the Accountant General, in bringing forward the admitted fact of the original deficit having been (nearly) made good, has totally misapprehended the basis of the claim; and that the other objection, which has been quoted, ignores the fact that the funds on which 8 per cent. was asked are actually available.

The above resumé of the question has been prepared for the consideration of the Managers, but while I see not the shadow of a ground for receding from the original claim, I take leave to suggest that it may be as well to avoid even the appearance of pressing an unfounded claim by obtaining an opinion thereon by the professional Actuary to whom the affairs of the Fund are under submission. The Secretary of State fixes the date of the Managers' application as that from which the transfer may have effect, so that there will be no loss by the intermediate reference.

Extract paras. 3 to 6, of the letter from the Honorary Secretary, Bengal Civil Fund, to the Secretary to the Government of India, Financial Department, dated 1st September 1863.

PARA. 3.—The Managers have already, with the sanction of the Subscribers, requested their Agents in London to obtain the opinion of a professional Actuary as to the effect which the adoption of the suggested arrangement would have upon the affairs of the Institution, but there are two points upon which they would wish to be informed whether they rightly understand the intention of the Secretary of State.

4. The Managers presume that, in indicating the interest (5 per cent.) to be allowed, under the suggested arrangements, "on the Balance of the Funds," reference is made by the Secretary of State to the whole balance of the Fund, without any distinction between the classes of Funds known as "Ordinary" and "Additional," respectively. On both classes of Funds the Government now allows 4 per cent. interest, but on the capital termed "Ordinary," belonging to that branch of the Fund which represents the original objects of the Institution before their enlargement in 1850, the Government also allows an annual donation calculated at 4 per cent. The Managers think they are right in supposing that the intention of the Secretary of State is to change the present uni

form rate of interest at 4 per cent. allowed on both classes of Funds into a uniform rate of 5 per cent. on the same classes of Funds. With the object, however, of avoiding the possibility of a misunderstanding, they desire me to ask whether their view of the Secretary of State's meaning is correct.

5. The Managers also presume that the adoption of the measure suggested by the Secretary of State will not involve any alteration in the arrangement under which the advances made in England for the payment of pensions are now recovered from the Fund twelve months after date with interest at 4 per cent. The Managers would wish to be assured that in this respect they are right in presuming on the maintenance of existing arrangements.

6. The Managers also desire me to request the favor of your informing them whether, in the event of certain funds from the Additional to the Ordinary Branch of the Institution being effected as per correspondence quoted below, * the 4 per cent. donation claimable on the amount so transferred would be allowed to be added to the fixed donation proposed to be calculated on the average of the past five years. The expected advantage to the Institution from the proposed transfer of funds consisted of the donation at 4 per cent. receivable thereon, and to secure this advantage under the alteration of circumstances which has been suggested by the Secretary of State, it would of course be necessary to allow the donation receivable on the transferred funds to be added to the fixed donation proposed to be calculated on the average of the past five years. The question, in fact, amounts to this :—Whether, by adopting the Secretary of State's suggestion which forms the subject of this letter, the Fund will or will not debar itself from the benefit of a totally distinct arrangement already sanctioned conditionally on independent grounds. The Managers hope that, in the event of the transfer of funds being carried out, the enjoyment of the benefit thereof will be made compatible with the adoption of the suggestion now under consideration by permission being given to add the 4 per cent. donation on the transferred funds to the donation proposed to be calculated on the average of the past five years.

Copy of Financial Despatch to the Government of India, No. 225, dated the 16th December 1863.

1. I have considered in Council your Financial letter, dated the 3rd October last, No. 122 forwarding a communication from the Managers, of the Civil Fund at your Presidency, requesting information relative to the aid which would be in future afforded to that Fund, if the arrangement contemplated in para. 12 of my Financial despatch, dated the 25th November 1862, No. 193, were carried into effect.

2. In regard to the first point on which information is desired, you will acquaint the Managers that interest at the rate of 5 per cent. may be allowed on the whole balance of the Fund, whether subscribed for "Ordinary" or the "Additional" advantages already sanctioned.

* Secretary of State's Despatch to the Government of India, in the Financial Department, No. 217, dated the 27th December 1862, received under cover of Financial Department Docket No. 269 A of 7th February 1863, Financial Department Docket No. 942 of the 17th March 1863. Reply dated 7th July 1863

3. In reply to the second point, they may be informed that the advances to be made in England for the payment of pensions may continue to be repaid 12 months after the date of the receipt for the amount, with interest at 4 per cent.

4. You also state that the Managers of the Fund express a hope, 'that, in the event of the transfer being sanctioned from the Additional to the Ordinary branch of the Institution, which was referred to in the correspondence noted on the margin,* the 4 per cent. donation which will be claimable retrospectively on the amount so transferred will be allowed to be taken into account in determining the future fixed donation proposed to be calculated on the average of the past five years.'

5. Her Majesty's Government would not object to accede to this request, but I have to observe that the information called for in the Financial despatch, dated the 27th December 1862, No. 217, has not yet been furnished, and, until the amount to be transferred under the authority therein conveyed shall have been reported to me and approved, no decision must be passed by you in regard thereto.

Letter from the Secretary, Bengal Civil Fund, to the Secretary to the Government of India, Financial Department, dated 24th November 1865.

Referring to the correspondence noted on the margin,† I am desired by the Managers to submit the accompanying copy of a Report on the Bengal Civil Fund recently obtained from Mr. Brown, Actuary of the Guardian Assurance Company, and to invite the attention of the Government of India to paras. 157—177 thereof, containing remarks on the subject of the application made by the Managers in April 1862, for the transfer of Rupees 8,95,744 of capital, now standing in the "Additional" or 4 per cent. head, to "the Ordinary" or 8 per cent. head.

2. The Government was made aware, by my letter of the 7th July 1863, of the circumstances under which it was deemed right by the Managers to take the opinion of an Actuary before proceeding further in the matter of the claim urged by them, and conditionally sanctioned by the Secretary of State in his despatch No. 225, dated 16th December 1863; and the strong corroboration now given by the Actuary in respect of the merits of the application will, it is hoped, be regarded as making the way to a favorable settlement of the matter quite clear. The two points on which the Secretary of State desired to be further informed may be noticed as follows.

3. In the original application made by the Managers, it was stated that in 1850 "the capital of the Fund fell short of the value of the liabilities then "actually incumbent by Rs. 8,95,744," and with reference to that figure, the Secretary of State enquired "upon what ground the deficit in

* Financial letter from India, dated the 26th May 1862, No. 75.
Financial despatch to India, dated 27th December 1862, No. 217.

† To the Government of India, dated 30th April 1862.
From ditto, dated the 26th May 1862.
Secretary of State's despatch, No. 217, dated 27th December 1862, with endorsement, No. 269a, dated 7th February 1863.
From Officiating Accountant-General, No. 1907, dated 9th February 1863, with endorsement by Financial Department, No. 942, dated 17th March 1863.
To the Government of India, dated 7th July 1863.
Ditto, dated 1st September 1863, extract para. 6
Secretary of State's despatch, No. 225, dated 16th December 1863, paras 4 and 5.

"1850 is stated at Rs. 8,95,744; the computation "of the Actuaries, who were consulted in this "country, having produced amounts differing con-"siderably from that sum, the deficit in 1850 "having been estimated by the late Mr. Griffith "Davies at Rs. 6,10,272, while the estimate of "Mr. Neison was yet more favorable." On this point it may be explained that the figure above noticed was obtained by an estimate made of the state of the Fund for the 30th April 1850,* which was adopted in preference to the estimates furnished either by Mr. Davies or Mr. Neison, because the data on which the latter were based had been found to be in many respects incorrect. These errors will be found noticed in pages 13, 14, and 15 of the printed Report, of which a copy was forwarded with my letter of 7th July 1863, and on this subject the Actuary has now observed that "there can be no doubt that on the 30th April "1850 the deficit to be made up would be Rs. "8,95,744, even after throwing in the small amount "standing to the credit of the 4 per cent. Fund." The estimate originally submitted by the Managers, which gave rise to the Secretary of State's enquiry, has therefore been fully corroborated by the Actuary's Report.

4. The other point on which the Secretary of State desired information was in regard to "how far this deficit has been met by the additional subscriptions realized specifically for the purposes of the original fund upon which the Government have been paying 8 per cent. interest." In the letter of the 30th April 1862, it was stated by the Managers that "the debt in question has been "paid off out of the 8 per cent. Funds contributed "to meet current obligations," or, in other words, that the funds which ought to have stood in the unappropriated head of the Ordinary Branch to represent† a due proportion of the value of the contingent liabilities were placed under the appropriated head to meet the abovementioned deficit. The representation of the Managers was to the effect that, although the original deficit in the funds set apart to meet *incumbent pensions* had then been (nearly) made up, the result had been attained by the appropriation to that object of funds which were equally required to represent the reversionary interests of those who subscribed them and equally entitled, had they been so used, to the privileged interest of 8 per cent. The deficit had, so to speak, been merely transferred from the appropriated to the unappropriated head of the Ordinary Branch; and this fact could not, it was presumed, be regarded as in any way affecting the merits of the claim. The figures now given by the Actuary fully bear out the above view, for he

* Incumbent Liabilities ... Rs. 24,47,086
Realized Capital ... ... ,, 18,51,342
Deficit Rs. 8,95,744

† NOTE—It is hardly necessary to corroborate the soundness of this view by reference to professional opinion, but the following passage may be quoted from the Report of the Actuary (Mr. Neison,) *viz*:—"It is in every sense absurd to consider the invested capital of the Fund at the present time as applicable exclusively to the discharge of the liabilities imposed by the existing incumbents. The present Members must have contributed very largely towards it and they have a given and defined interest in it to a certain extent as distinctly and emphatically as the existing incumbents can possibly have."

The following passage may also be quoted from the report "of the other Actuary (Mr. Davies), *viz*:—"The difference "between the present state of your Fund and the Bombay "Civil Fund does not merely consist in the absolute deficit "shown by Art. 38, but also in the want of an unappro-"priated Fund, representing the value of the accrued in-"terests of the living Members, the annual interest on "which must now be made up by increased subscription.

has shown that, while in April 1863 the total realized capital of the Ordinary Branch had reached a figure (Rs. 33,20,579) not very far short of the estimated value of the pensions actually assigned (Rs. 34,55,699,) the liability on account of the reversionary interests of the Subscribers had meantime, as shown in the below Statement, got far in advance of the value of the future income, owing to the absence of any intermediate accumulation of unappropriated capital:—

Value of contingent pensions chargeable to the Ordinary Branch 8 per cent. money.		Value of Ordinary Income 8 per cent. money.
	Rs.	Rs.
30th April 1853 ...	21,21,961	21,45,783
,, 1858 ...	24,34,829	22,60,471
,, 1863 .	29,58,046	22,23,651

5. And these figures (taken from former valuations) only partially represent the extent to which the contingent liabilities were left unsecured, while all the accumulations were being devoted to secure the interests of incumbent pensioners; for the Actuary has shown that certain large items of contingent liability have been omitted in all the previous valuations. These items he has valued for 1863 at no less a sum than £341,650, which is only partly covered by omitted items of income valued at £171,134, leaving a net addition to the liabilities of £170,516, of which £113,677, or rather its equivalent in 8 per cent. money, viz., £69,956 = Rupees 6,99,560, must be added to the figure given for that year in the above Statement, in order to show the real extent to which the Subscribers left their own reversionary interests unsecured, while appropriating all the accumulations to secure the interests of incumbent pensioners.

The above remarks will explain the principle on which the Managers represented their claim to the transfer of the full amount of the original deficit.

6. The Actuary's figures, however, afford ground for what may perhaps be regarded as a stronger mode of demonstration, because it eliminates altogether the question raised by the Secretary of State. It is clear from his statements that, even accepting the actual appropriation of the current accumulations in the 8 per cent. Branch to the reduction of the old deficit, transfers from the 4 per cent. Branch aggregating Rupees 4,02,415 might legitimately* have been made in the years

* NOTE—

		Rs.
Value of Incumbent Pensions, in April 1853 ..		26,00,988
Realized Capital . ditto ...		21,25,040
Deficit, April 1853 ..		4,75,948
Sums available in Additional Branch for transfer on the dates specified.	April 1850 ...	34,038
	April 1851 ...	1,72,096
	April 1852 .	1,96,318
Ditto with interest accumulations from the several dates of transfer up to April 1853 .		4,55,635

The Actuary takes the deficit of the combined heads (appropriated and unappropriated) as the measure of the extent to which available funds might have been transferred from the additional to the Ordinary Branch, and has arrived at the same result therefrom; but if this principle be fully followed out the former valuations of contingent pensions and future income ought to be corrected by the addition of the items, which, as shown in his report (paras. 138 and 145), have hitherto been omitted owing to the want of tables for their correct valuation. The result of such a correction would be to establish a claim for a much larger transfer than that originally proposed. The representation made in April 1862 having been confined to the deficit in the *appropriated* head in 1850, it has been thought better to adhere to the more moderate claim then urged, supporting it merely by an alternative mode of demonstration of the kind adopted by the Actuary, but limited to the figures given by him in respect of the appropriated head.

1850, 1851, and 1852, which, with interest accumulations at 8 per cent., would have stood in April 1862 (the date of the Managers' application) at the sum of Rupees 9,10,817, being considerably more than the amount which the Managers proposed to transfer.

7. The original sums which, as shown above, might have been transferred, will be found, if calculated at the actual lower rate of 4 per cent. interest, to have amounted, in April 1862, to only Rupees 6,10,019, so that the Fund at that date had lost the difference, *viz.*, Rupees 3,00,798,—a sum which, of course, represents also the extent to which the Government had profited by the laches of the Fund.

8. The Managers, it will be remembered, did not ask the Government to make good this loss, but they asked that the Fund might be allowed to redeem its error, so far as the future was concerned, by transferring to the 8 per cent. head the sum of Rupees 8,95,744; and although the Actuary's figures might warrant the substitution of the larger sum of Rupees 9,10,817, the Managers think it better to retain the amount of the original claim, the transfer of which, with effect from the date of the original application (April 1862), has already been conditionally sanctioned by the Secretary of State.

9. It will be observed that the Actuary has suggested that, instead of the actual transfer of capital, a donation of £3,500 should be allowed to be included in the five years' average donation, in the event of the acceptance of the Secretary of State's separate offer for converting in that manner the whole privileged interest now receivable by the Fund.

10. The Managers will shortly address the Government on this last mentioned subject in a separate letter, asking that the introduction of the measure may be postponed, but they think it unwise, as it is quite unnecessary, to mix up the question which forms the subject of the present letter with the larger question of the substitution of a fixed donation in lieu of privileged interest The two matters are quite distinct, and it will be better to deal with them as such, for, if the present transfer be carried out as originally proposed, and already conditionally sanctioned, there will be no difficulty whatever in settling hereafter the donation to be given in lieu of the increased interest receipt so made available. The Managers would not, indeed, have thought it necessary to allude in this letter to the contemplated composition in respect of privileged interest had it not been for the form which the Actuary's proposed settlement of the present question has taken, his idea being that the two matters would probably be disposed of simultaneously, and his suggestion being confided therefore to the particular form, *viz.*, an annual donation, which the concession now under notice would in that case necessarily assume.

11. If, as the Managers sincerely trust, the application made in April 1862 for the transfer to the 8 per cent. head of Rupees 8,95,744 will now be granted, it will of course be necessary to introduce it in a way that will admit of the Fund enjoying the benefit of the arrangement, with effect from the date of the application (30th April 1862), in accordance with the view already expressed in the 4th para. of the Secretary of State's Despatch, No. 225, dated 16th December 1863, and this may

readily be done by a calculation as per margin* on the receipt of the final sanction, when arrangements will be at once made for the actual transfer of the money.

12. In conclusion, the Managers would beg respectfully to remind the Government of the circumstances out of which the present request has arisen. It was shown in 1850 that the Civil Fund was in a very insolvent condition, owing to the long-continued laches of previous generations. Not only were there no funds to represent the accrued interests of the then existing Subscribers, but even the pensions actually assigned to the widows and orphans of their predecessors were unsecured to the extent of Rupees 8,95,744. The Subscribers undertook all the obligations then existing, determining not only to maintain in full the pensions actually assigned, but to secure to those who had retired, the full reversionary interests enjoyed by them on retirement. The extent to which the Fund was then insolvent was, as appears from the present Actuary's Report, greatly under-estimated by the two Actuaries employed to review its condition in 1851-52. By a continued high rate of taxation, the Subscribers have since that time effected a "great improvement" (paragraph 196 of the present Actuary's Report), but the deficit is still represented by the enormous sum of £133,366. During all this period the Government has, so to speak, profited by the inability of the Fund to claim the full amount of assistance which it might have got, because that assistance was given in the shape of privileged interest on capital. The Managers feel sure that the above circumstances will receive due weight in the consideration of the request which forms the subject of this communication.

Extract from a Circular to the Subscribers to the Bengal Civil Fund, dated the 7th December 1865.

In the report submitted to the Meeting of Subscribers, held in Calcutta on the 26th July last, it was stated that the Managers would take an early opportunity of informing the Subscribers of any steps which it might appear necessary to take with reference to the report obtained from Mr. S. Brown (Actuary of the Guardian Assurance Company, London) on certain special questions connected with the Fund, and on the financial state of the Institution generally.

I have now the honor, by direction of the Managers, to circulate, for your information, the accompanying copy of a memorandum on the subject prepared in this Office, and to state that the Managers have resolved to defer taking any steps in respect of the increase of subscription rates recommended (ordinary subscriptions from 2½ to 3 per cent. on salaries) by the Actuary, until

*Compound interest at 8 per cent. on Rupees 8,95,744, from 30th April 1862 up to the date when the amount may be actually transferred after the receipt of the final sanction to the arrangement .. . Rs. 0 0 0

Deduct compound interest (already received) at 4 per cent. on the same amount, from and to the same date ... .. ,, 0 0 0

Net amount to be placed to the credit of the Fund, Ordinary Branch, in the books of the Accountant-General as arrear interest on the Amount transferred ... ... ,, 0 0 0

The amount to be transferred to the 8 per cent. Branch from the Additional Branch will be Rupees 8,95,744, plus interest accumulations at 4 per cent., which together with the arrears of privileged interest to be placed to credit, as per calculation above, will represent the total addition to the 8 per cent. Branch.

they shall be in a position to form a conclusive judgment as to the necessity of such a measure, after obtaining from the Actuary certain supplementary Tables and calculations which are shown in the Memorandum to be required for a proper representation of the state of the Fund on its existing basis,—Mr. Brown's representation being founded on the assumed introduction of a new arrangement, which has not, in point of fact, as yet taken place, and respecting the advantage of which the Managers think there are grounds for serious doubt. Looking to the fact that the Actuary has certified the improvement in the condition of the Fund since 1853, on its existing basis and at existing rates of subscription, to have been "great" (para. 196 of his Report), the Managers do not think that they would be justified in calling upon the Subscribers to increase their contributions, without the fullest possible investigation of the progress to be expected in future, on the same basis and at the same rates of subscription.

The offer made in 1862 by the Secretary of State, for the substitution of a fixed donation for the privileged interest now received on the "Ordinary" Funds of the Institution, forms the subject of remark in Section III. of the Memorandum. The Actuary recommends the adoption of the arrangement as being one which he considers decidedly favorable to the interests of the Fund; and has based his calculations throughout on the assumption that it will be adopted. But, having regard to the arguments raised in the Memorandum against the present expediency of the arrangement, and particularly those arguments founded on the results which would have followed its introduction during the last two years, (*i. e.*, from April 1863, up to which Mr. Brown's Review extended,) the Managers have resolved to refer the matter for the re-consideration of the Actuary, and meantime to address the Government with a view to obtaining a prolongation of the offer.

As regards the question of transferring Rs. 8,95,744 from the 'Additional' to the 'Ordinary Branch, referred to in Section II. of the Memorandum, the Managers have already addressed the Government, and hope that the strong corroboration given by the Actuary respecting the justice of the claim (originally made in April 1862) will ensure a favorable decision in the matter.

Copy of a letter from the Honorary Secretary, Bengal Civil Fund, to the Secretary to the Government of India, Financial Department, dated the 27th December 1865.

Referring to the correspondence noted on the margin, † I am directed by the Managers of the Bengal Civil Fund to submit the accompanying copy of a report by an Actuary in London, (Mr. S. Brown, of the Guardian Assurance Office), and to invite the attention of the Government of India to the remarks contained in paras. 146 and 178—193, on the subject of the offer made in the Secretary of State's Despatch No. 193, dated the 25th November 1862, to give to the Fund a fixed yearly donation in lieu of the privileged interest now drawn as a donation on the capital of the Ordinary

† Resolution, Financial Department, No. 1G of 2nd January 1863.

Despatch from Secretary of State, No. 193 of 25th November 1862.

Letter from Financial Department, No. 73G of 10th January 1863.

Extract paras. 3 to 5, from letter to ditto, dated 1st September 1863.

Extract paras. 1 to 3, of Despatch No. 2 of 16th December 1863, from Secretary of State, to Government of India Financial Department.

Branch, to allow for the future 5 per cent. interest on the balance of the Funds of the Institution, and to permit remittances to be made to England at the rate of exchange fixed annually for transactions with the British Exchequer.

The Managers quite agree in the opinion expressed by the Actuary (para. 179), to the effect that "if this proposal can be accepted without pecuniary detriment to the Fund, the other advantages (simplification of accounts and of system of valuation) will be very great;" but they feel considerable hesitation in acting as yet on the opinion expressed by him (paras. 185 and 189) to the effect that, "on the whole, the advantages are decidedly in favour of the acceptance of the proposal," for from a calculation made in this Office, based on the actual results of the last two years (April 1863 to April 1865,) as compared with the results which would have been produced had the arrangement been carried out as proposed by the Actuary from April 1863, it appears that the Fund would have been a loser to a very considerable extent.

Under these circumstances, the Managers have deemed it necessary again to consult the Actuary on the subject with special reference to the calculated results of the two years in question.

Meantime, I am desired to solicit a prolongation of the offer made by the Secretary of State until such time as it may be found possible to introduce the arrangement without pecuniary detriment to the Fund.

In submitting this request the Managers would offer a few remarks relative to the peculiar circumstances of the Bengal Civil Fund, which render the present adoption of the arrangement a matter, of so much doubt and difficulty. It will be remembered that in 1850, the Fund was found to have a large deficiency of capital, and the present actuary has shown that the extent of that deficiency was greatly underestimated by the Actuaries who reported upon the state of the Fund at the time owing to the entire omission in their valuations of the present value of a large class of contingent pensions calculated now to amount to £341,650. The high rates of subscription imposed in 1850 have, as shown by the actuary (para. 196), caused a "great improvement in the condition of the Fund during the last 10 years," but notwithstanding this improvement, there is still, he calculates, the enormous deficit of £133,366 to be made good.

The fact that the Bengal Civil Fund has been, and is still engaged in making up a large deficiency of realized capital is the sole cause of the present difficulty in taking advantage of the offer made by Secretary of State, for the arrangement contemplates the calculation of the future annual donation on the *average interest receipts of the last five years*, and that average is of course greatly less than it would have been, had there not been so large a deficiency of realized capital.

The Managers feel sure that the above explanation of the cause of the present difficulty will be regarded as a reasonable ground for the request now made for a prolongation of the offer of the Secretary of State until such time as it can be accepted without pecuniary detriment to the Fund. The proposed measure offers so great advantage in respect of simplification of accounts and valuations that the Managers would regret much if the difficulty in respect of its present adoption were to deprive the Fund of the chance of benefiting by it hereafter.

There is one point in regard to the proposed arrangement which will have to be settled before its introduction; and the Managers think it is well to take the present opportunity of bringing it under notice, in view to the obtainment of orders on the subject.

The point in question is discussed in paragraphs 190, and 191 of the Actuary's Report. Mr. Brown points out that "if the number of Members in the Civil Service should be materially increased beyond "the present establishment, the proportion of their subscriptions under the old* Rules would tend considerably to augment the 8 per cent. Fund under which the Government would now allow the annual donation of 4 per cent." "But if," he goes on to say, "the donation is fixed, there would be no corresponding increase of interest under the new proposition." He proceeds to suggest (para. 191) that "perhaps the Government "might be disposed to agree that, should the numbers "of the Bengal Civil Servants be permanently in-"creased compared with the present number, "some corresponding increase should be made in "the fixed annual donation," adding that "justice "to the present Members seems to require some "such concession, as their interest in the fixed "donation would otherwise be deminished by shar-"ing it with increasing numbers of new Members."

The reasonableness of asking that some understanding on this point may be come to is so obvious from the above statement of the case, that it is unnecessary for the Managers to do more than submit the matter as represented above for the favorable consideration of the Government. It may be noted that the increase in the Members of the Service has been as per margin † and these results will perhaps help to show the necessity of providing for the contingency of such increase in the future.

Remarks of three Managers extracted from the Proceedings of the Half-yearly General Meeting of Subscribers, held on the 31st January 1866.

Remarks made by the Honorable W. S. Seton-Karr.

I wish to offer a few words of explanation as to the conduct of the Managers and to the late Report of the Actuary on the state of the Civil Fund. Several of the Members here present have, no doubt, read an article which lately appeared in the columns of the *Englishman*, in which the condition and prospects of the Fund were discussed, its dangers were indicated, and the Managers were represented in conflict with their Secretary, and as looking on, calmly and contentedly, while the said Fund was lingering into hopeless insolvency. For myself, and I believe for my colleagues in the management, I beg before this Meeting emphatically to deny that such is the case. All that the Managers decided, all that they had to decide on, was that they would not cast the whole burden of relieving the Fund on the shoulders of the present generation. On the information which they then possessed, they thought it would be inexpedient to compress, into the limits of one single year or so, a heavy amount of taxation which had been proposed as necessary to the solvency of the Fund. They by no means were averse to an increased moderate taxation spread over a number of years, and they passed no such resolution.

* i. e., the proportion of their subscriptions credited to the ordinary Branch which represents the old Fund.

†1825 ...	372
1840 ..	448
1855 .	491
1860	515
1865 ...	587

The state of the case was really as follows:—The Actuary, Mr. S. Brown, had forwarded a very elaborate report. The Secretary had carefully considered and minuted on that report. It was shown that the Fund was not in a clearly solvent position, if all its liabilities were to be at once enforced. But it was also shown that the Fund was in a better position now than it was in the year 1851, when extra taxation was first imposed on the Members in order to meet the deficit. In fact, the Fund has been gradually working its way towards something like solvency. Had the deficit been so alarming, or the exigencies so pressing, as some persons seemed to think, most certainly the imposition of the additional taxation for one year would not have sufficed to meet the crisis. What then the Managers did was to call on the Actuary for some further information which they required, which that gentleman could easily supply within the next six months. When that information is furnished, the Managers will be in a position, if necessary, to propound a scheme calculated to place the Fund in a secure and proper position, to remove all apprehensions of a deficit, and to secure the co-operation and approval of the Members of the Service. In the meantime, I trust that this explanation may satisfy Members, both present and absent, and may convince them that the Managers have no intention of dealing carelessly or lightly with the important interests entrusted to their charge.

Remarks made by the Honorable George Campbell.

I entirely concur with what has fallen from Mr. Seton-Karr. Although, owing to an accident, I was not present when the Managers dealt with this subject, I quite approve of what has been done. But I should also like, as a private Subscriber, to go a step further, and to take this opportunity of expressing the view which, so far as I can at present judge, I entertain, *viz.*, that, so far from giving cause for the alarm which has been expressed, recent figures go to show that the present condition of the Fund is better than the most sanguine anticipations hitherto expressed. I wish, at any rate, to show that there are two sides to the question, and that I by no means admit the reality of the gloomy view which has, I believe, disturbed the minds of many Members, and, I am told, caused misgivings to widows and orphans living on their pensions at home. I do not propose to attempt a criticism of the Actuary's calculations. I shall found my argument entirely on his figures and on those of Mr. Monteath, whom, even if we should differ from some of his conclusions, we must all acknowledge to be a most skilful Accountant, and a most able and zealous Secretary of the Fund. I could wish that the Actuary had condescended a little to popularise his conclusions, to explain why the result was so different from that which he expected, and how the former equally skilled Actuary came to omit such apparently palpable facts as that wives must be married and children must be born. He has simply given us a mass of figures which I confess myself wholly unable to understand. But as I said I take them as he gives them, and do not dispute them.

The view of the state of the Fund lately put forth is what I may call the pessimist view. The most sanguine or optimist view hitherto taken is that contained in Mr. Beadon's letter of 10th February 1862, in which all these proceedings may be said to have originated. I don't concur in all that is said in that letter; but the main gist of it seems to lie in this, *viz.*, that, according to Mr. Beadon, the present generation of Subscribers had for many

years been paying "more than double that which would have sufficed if the Fund had been bequeathed to them in a sound state by their predecessors,"—and that, estimating the then existing deficiency at 20 lakhs, Mr. Beadon suggested that the recovery of that sum might well be spread over the next 20 years—an arrangement he said far better than the most sanguine expectations originally entertained. I wish to show that, in my view, the present state of the Fund is not only equal to, but much better than, Mr. Beadon's most sanguine hope. I will go back a little, taking for my guide Mr. Monteath's excellent history of the Fund. To begin, then, it is clear that the Civil Fund was originally started with the approval and support of Government upon totally different principles from those of mercantile assurance on which we now seek to put it. Pensions were not deferred till Subscribers had paid amounts equal to the risks or till capital was accumulated. They were granted and paid at once on the simple hand-to-mouth principle, that the monthly receipts should cover the monthly expenditure, and on that principle the Fund was maintained till 1838, when the subscriptions were increased. That method would, in fact, suffice if we suppose the Service to be perpetual. But if the Service came to an end, the result would be that, as the first generation got the benefit of the Fund without having subscribed, the last generation after having subscribed would not get the benefit of it. The intermediate generation would neither unjustly benefit nor unjustly suffer. When the old Fund, based on this principle, was (perhaps imprudently) taken over in 1850, not only was there not a farthing to represent the contingent interests of living Subscribers, but the value of pensions already granted was largely deficient—by 7 lakhs according to Mr. Monteath—by 12 lakhs according to Mr. Beadon. I take the view least favorable to my case, so let us say 7 lakhs. Including contingent interests, the deficiency must have been upwards of 30 lakhs at the least. Even supposing that we are bound to make up this deficiency created by past generations under the auspices of the Government in a Fund which the Government compelled us to join, it is admitted that we can only be expected to do so gradually, and I do most emphatically say that, if the Service were abolished before we can do so (of which there is not the least prospect), we should have an irresistible claim on the Government to compensate us for the deficiency, especially seeing how far we have already helped ourselves.

Let us see what we have already done. I take Mr. Monteath's figures for the 12 years 1850 to 1862, I find that, by 30th April 1862, not only had the deficiency in the Appropriated Funds been made up—not only had the full value of all new pensions been safely lodged in the Appropriated Funds—but an entirely new Fund to represent the contingent interests of existing Subscribers had been created to the extent of upwards of 12 lakhs of Rupees. I do not take credit for the growth of the Appropriated Fund, because that is to meet our liabilities; but I do say that when, in addition to doing our own duty, we have in these 12 years made up the deficiency of 7 lakhs in one Fund, and found 12 lakhs towards the deficiency of the other or Unappropriated Fund, we have more than done our utmost duty. We have, in fact, made up 19 lakhs of the deficiency in 12 years, being at the rate of somewhat more than a lakh and-a-half per annum.

And this is not all. The deficiency in the capital also involves a deficiency in the interest which we should have been receiving; we have probably

lost from a lakh to a lakh and-a-half per annum on that account. Say we have been 2½ lakhs per annum out of pocket owing to the past deficiency. The whole subscriptions at present rates are something under 4 lakhs. That, I think, shows that more than half our payments have gone to meet past deficiencies, and that Mr. Beadon was right in saying that we have been paying more than double that which we should have paid if we had received the Fund in a sound state from our predecessors.

Again, let us go on—take the three last years. The Unappropriated Funds, after providing for all appropriations, have increased from 12 lakhs in 1862 to 16 lakhs in 1864, and again in the year for which accounts are just laid on the table to 30th April 1865, the 16 lakhs have increased to 18½ lakhs, an increase in one year of fully 2½ lakhs. This is just what might have been expected, for, as the accumulation of capital diminishes the deficiency of interest, the surplus income becomes larger. It seems to be increasing year by year. Looking to some minor points, there may be a question how far the *whole* apparent improvement is real; there may be some comparatively small drawbacks; but that in the main it is real—that the condition of the Fund has been year by year improving, is a fact to which we have the emphatic testimony of Mr. Brown, in general, but very decided terms, when he says in his 96th paragraph that his figures "clearly show a great improvement in the condition of the Fund during the last ten years." If the condition of the Fund was clearly improving, when we were saving a lakh and-a-half per annum, much more must it improve when we are saving 2 or 2½ lakhs per annum. Whatever drawback there may be on account of the immaturity of the Fund (and I believe that is now slight), it is evident that as the Fund approaches nearer and nearer to maturity, that drawback is less. Year by year, therefore, we are saving more with less drawback, and it seems to stand to reason that if our condition improved in those past ten years, it is now improving, and will go on improving still more rapidly. There can only be a question of degree, but that we are in some very considerable degree improving, follows irresistibly from Mr. Brown's figures and report. The truth I take to be that we are not only paying more than double that which we fairly ought to have paid, but also, (since the Government assistance in the shape of a petty subscription and increased interest on one portion of funds is comparatively small), we are really at present paying much more than we should pay to an ordinary Insurance Office for the same advantages. By the excess payments of the last 16 years, we have paid off by far the greater portion of the deficit; in a few years we shall pay the remainder, and eventually the subscriptions must be reduced to one-half or one-third of the present amount, in fact to the small scale of payments for which the Members of the Bombay, and I believe the Madras Service now actually enjoy advantages as great as ours. To require, then, those who have already borne the heat and labor of the day, and paid up for a past generation, also to pay at once for a future generation, seems to me utterly unjust, even although it may be that in a purely mercantile-insurance point of view, an additional 13 lakhs, as set forth by Mr. Brown, would be called up from the Shareholders. In our present position, Mr. Beadon estimated the deficiency which we ought to make up to be 20 lakhs. Mr. Brown estimates that deficiency at 13 lakhs, and Mr. Monteath at 15 lakhs, being in one case 7 lakhs, in the other

5 lakhs better than Mr. Beadon's most sanguine estimate. Since the date for which Mr. Brown calculated, we have saved 6 or 7 lakhs out of the deficient 13. The annual saving may be liable to some fluctuation, but it has now gone on steadily increasing for 16 years; we can hardly doubt that in three or four years more Mr. Brown's deficiency will be made up. Allow a margin for future contingencies, say another 10 lakhs, a most liberal estimate I think, and still it follows that in seven or eight, or if you like put it as ten years hence, our Unappropriated Fund, at this moment upwards of 20 lakhs, will be increased to, say, 40 lakhs,—more, I think, than enough to cover every contingency. I say that there is, so far as I can judge, no ground for despondency, but every ground for the most sanguine anticipations for the future.

My conclusions, then, are—

First.—That the pensions of widows and the children now on the Fund, being provided for by setting aside their full capital value, are, under all circumstances, absolutely secure.

Second.—That since 1850, by paying abnormally high subscriptions, we have wiped out by far the greater part of the enormous deficit then existing, and have now but a comparatively small deficit, which the existing rates will wipe out in a very few years.

Third.—That if the Service was abolished, or the supply of fresh Members stopped to-morrow, we should have an irresistible claim on Government (as having sanctioned and abetted the old Fund and forced us to join it) to make up the existing deficiency.

Fourth.—That if the Service goes on a few years longer, the deficiency being made up, the subscriptions will be very largely reduced.

Fifth.—That we of the present generation have been, and are being most cruelly sat upon, being forced to pay far more than the value of the advantages accruing to ourselves in order to supply the deficiency caused by the grant of pensions not paid for in a long previous generation.

Remarks by Mr. R. B. Chapman.

I wish I could take as sanguine a view as does Mr. Campbell of the progress of the Fund towards solvency; but, as our Secretary has shown, we are without the data indispensable to enable us to form any sound opinion upon the subject. Unless we know absolutely in what ratio our liabilities are increasing, the mere increase of our capital is no proof whatever that our position is improving. Our actual *capital* we know; but our actual *liabilities* could only be ascertained by the repetition of calculations nearly as elaborate as those of the Actuary's report. It appears to me altogether unsound to attempt to estimate these liabilities—however liberal; the only sound and prudent course open to us, in this respect, is, having obtained the best professional adviser available, to accept the conclusions at which he arrives, unless, indeed, we can, on any specific point, discover an error, or otherwise invalidate them. At present, Mr. Brown's opinion is, that we are making very slow progress towards solvency; and that, in a short time, we shall be absolutely retrograding. The Service will not, I hope, reject these conclusions for any sanguine private opinion to the contrary.

Mr. Campbell's account of the history of the Fund is, no doubt, correct: it is, no doubt, true that, at its first origin, the Service, as it then existed, took upon itself the burden of pensioning the families of many who had contributed little or nothing to the Fund; and that, again, in 1850

when the Fund was placed upon its present sound basis, the then juniors of the Service undertook that more than their share of the liabilities of the Institution. To the present day, we are paying for the sins of our predecessors, and, for some time, we must, I fear, still continue to do so.

It seems to me, however, too late now to regret this—as it is too late to remedy it.

Nor does it appear to me to the point to found any argument on the original defective constitution of the Fund. I entirely agree, indeed, with Mr. Campbell that there is no real cause for alarm or even anxiety in regard to the practical solvency of the Fund; nor do I think that many Members of the Service entertain much fear on the subject: but I am not, by any means, sure that there would not be cause for alarm, if Mr. Campbell's principles were adopted. At any rate, I believe, the Service has made up its mind definitively that it is expedient, without indulging in useless regrets over the past, to bring the Fund, now, as soon as may be, into a state of real and sound solvency.

I cannot, however, think that the Service will commit what it appears to me would be the injustice of adopting Mr. Monteath's proposition for a single rate of 3 per cent. to be levied in a single year. No doubt, to the large majority of the Service, myself among them, a single 3 per cent. contribution would be, by far, more advantageous than an indefinitely prolonged annual rate of ½ per cent. It would be so, in plain English, because the greater part of the burden would, in this way, fall upon the few seniors, who are in receipt of the maximum salaries. Mr. Monteath attempts to show that this would not be unjust, because, in the early years of the Service, these gentlemen were paying at the old insufficient rates, but he forgets, I think, that most of them must have been in the receipt of very small salaries before 1850. There can be no doubt whatever that each one of them has, upon the whole, paid far more than it would have been necessary for him to pay as the value of the advantage accruing to him individually from the Fund than he would have had to pay, *i. e.*, if the Fund had been, throughout, in a sound condition. I fail to see, therefore, even an appearance of justice in the proposal to take disproportionate contributions from these gentlemen for the purpose of making up our present deficiency; and I think that, if any such a contribution is enforced by a vote of the Service, it will be a selfish, and tyrannical, and unconstitutional, exercise of the power of the majority.

The principle which I should like to see distinctly avowed and accepted by the Service is, that the rates of subscription should be so graduated as to secure a slow, but real, progress of the Fund towards sound solvency. What progress is being made now, or at any future time, is a matter of dry calculation for which we must be dependent upon an Actuary, whose conclusions we must neither shirk nor shrink from, but boldly face. If those conclusions show that our progress is *rapid*, I would reduce the rates at once; for I think that the present generation has done its part nobly, and is on no principle bound to do more than is absolutely necessary to establish and maintain *some real* progress—such progress, say, as will secure the full solvency of the Fund twenty years hence. If it is found necessary, in order to secure this amount of progress,—far more in order to prevent retrogression,—I would consent myself, and I would urge the Service to consent, to pay even larger rates than we are now paying.

One word more: we must not look too regretfully at our present position. The prudent, the liberal, and the prosperous amongst us would, probably, have had to pay at least as much, if there had been no Fund at all, in charitable contributions for the support of the families of Members dying insolvent. It was to get rid of the disgrace and inconvenience of such calls that the incomplete Institution was created, out of which our present noble Fund has been developed; and I do not at all believe with Mr. Campbell, that, even if all our lives were insurable, we could obtain for subscriptions so moderate, and so conveniently adapted to our circumstances, from any Insurance Office, anything like the advantages that we get from the Fund. Mr. Brown distinctly assures us to the contrary, and we cannot have a better authority.

Extract from a Despatch from the Secretary of State to the Governor-General of India in Council, dated 17th March 1866.

I have considered in Council your Financial letter, dated the 10th April last, No. 72, forwarding correspondence with the Managers of the several Civil Service Annuity Funds relative to the future management of those Institutions.

2. It appears from these papers that the question raised in the Financial Despatch, dated the 25th November 1862, No. 193, whether, with reference to the changes therein sanctioned, any advantage could attend the retention of Boards of Managers and the machinery of the Funds having been referred by you to the Managers of the several Funds, the Services are decidedly opposed to any alteration in that respect, and are desirous that the important concessions made in Mr. Charles Wood's Despatch above referred to, should be incorporated in the Rules.

3. You state that you do not concur in any one of the several objections urged, and that the only real answer to the point raised in the suggestion of the Madras and Bombay Services as to the doubtful legality of the proposed measure but having regard to the strong feeling which the Services of all three Presidencies have manifested on the subject, you would not recommend that the change proposed should be pressed.

4. I must observe that it was never contemplated to make any change in regard to the management of the Civil Service Annuity Funds without the full concurrence of the Subscribers to those Funds, and, as they are opposed to any change in this respect, the management of those Institutions must remain as at present.

5. In regard to the incorporation of the concessions made in the Financial Despatch of the 25th November 1862, No. 193, with the Rules of the Funds, it will probably be more convenient to adopt that course than to continue the Rules as at present existing, giving the allowances sanctioned by that Despatch as a direct grant from Government.

6. Under these circumstances, however, it will be necessary that every proceeding of the Managers should be carefully reported to, and considered by your Government. You will consequently take care that the proceedings of the Managers are regularly laid before you, and you will transmit to me a copy in order that those proceedings may be reviewed in this country.

7. Any measure that may be adopted by the Managers which may not be in accordance with the Rules, will necessarily be subject to revision.

Copy of a Financial despatch to the Government of India, No. 84, dated the 17th April 1866.

I have considered in Council your financial letter, dated the 21st December 1865, No. 188, forwarding a letter from the Honorary Secretary of the Bengal Civil Fund, relative to the application of the Managers in April 1862 for sanction to the conversion of Rupees 8,95,744 of the balance of the Fund, bearing interest at 4 per cent., into Capital of a like amount at 8 per cent. interest per annum.

2. Under the explanation now furnished, confirmed as it is by the report of Mr. Brown, (Actuary of the Guardian Assurance Company), dated the 27th February 1865, as to the amount of the deficit in the assets of the Fund on the 30th April 1850, I sanction the grant of 8 per cent. interest on the sum of Rupees 8,95,744, with effect from the 30th April 1862, according to the intention expressed in the Financial despatch to your Government, dated the 27th December 1862, No. 217.

From the Secretary of State for India, to His Excellency the Right Honorable the Governor-General of India in Council,—Financial No. 179, dated the 8th August 1866.

I have considered in Council your Financial letter dated the 2nd February last, No. 20, forwarding copy of a letter from the Secretary of the Bengal Civil Fund, relative to the grant to the Fund by Government of a fixed yearly donation in lieu of the aid which it now receives.

2. The Managers consider that as the aid given by Government is dependent on the balance of the Fund, which is steadily increasing under the high rates of subscription imposed in 1850, the Fund would be placed at a disadvantage, if an annual donation were now fixed on the average of the indirect aids of the past five years. While, therefore, the Managers are sensible of the advantages that would result from the proposed change in regard to the simplification of accounts and valuations, they solicit that the change may be postponed until it can be made without loss to the Fund. They also express a hope that if the annual donation be fixed, and a permanent increase subsequently made to the number of Civil Servants, a corresponding increase may be made to the annual donation.

3. In the Financial despatch to India, dated the 25th November 1862, No. 163, no date was specified within which the acceptance or rejection of the proposed change must be notified, and the question may, therefore, remain in abeyance for the present; but I must decline to give any undertaking in regard to a possible future increase in the number of Civil Servants.

Memorandum by the Secretary and Treasurer of the Bank of Bengal regarding Exchange from 1838 to 1866, furnished in 1867.

Special reference being made to printed Statements of the average rates in Calcutta of exchange in London for 6 months' sight Bills with discount rates of Bank of England from 1838 to 1866 inclusive, it appears, that

During 5 years from 1862 to 1866 inclusive Sterling exchange on first class Bills at six months' sight gives an average	2-0⅝*d.*
Deduct Rebate at say 6% per annum (in excess of average)	0-0¾*d.*
Leaves demand rate per Rupee at ...	1-11⅞*d.*

II. During 10 years 1852 to 1861 inclusive, First class Bills (Credit and Bank, mixed) at six months' sight average	2-1⅜*d.*
Deduct Rebate at average Bank of England rates for same period, viz. 4½% per annum	0-0 $\frac{9}{16}$*d.*
Leaves demand rate per Rupee at ...	2-0 $\frac{13}{16}$*d.*

III. During 29 years 1838 to 1866 inclusive, First class Bills (Credit and Bank mixed) at six months' sight average	2-0¾*d.*
Deduct Rebate at say 5% (as maximum)	0-0⅝*d.*
Leaves demand rate per Rupee at ...	2-0⅛*d.*

N. B.—Average rate of Bank of England from 1845 to 1866 only 4½%, between 1838 and 1844 not so accurately ascertained but less than 5 per cent.

Copy of a Letter from the Honorary Secretary to the Bengal Civil Fund, to the Secretary to the Government of India, Financial Department, dated the 10th January 1867.

I am directed by the Managers of the Bengal Civil Fund to acknowledge the receipt of a copy of the Despatch noted on the margin* in which, while intimating that it will remain open to the Fund to avail itself hereafter of the arrangement offered in 1862, the Secretary of State declines to give any assurance that the donation, in lieu of privileged interest, will be increased in proportion to any future increase in the number of Civil Servants on the Bengal Establishment.

2. Within the last month the Managers have learned from their Actuary in London that this decision will practically place the benefits contemplated in the proposed arrangement beyond the reach of the Bengal Civil Fund.

The fact that in the Bengal Presidency the Establishment of Civil Servants has in past years steadily and largely increased, † and that there is every prospect of the increase continuing, ‡ gives rise to a serious risk in taking for the future a fixed donation calculated on the basis of the aid hitherto received in the shape of privileged interest on capital. The knowledge that such a donation might, and probably would, have to be shared in diminished proportions by an increasing number of Members will practically act as a permanent barrier to the enjoyment by the Bengal Civil Fund of the benefits contemplated in the offered arrangement.

3. And this practical exclusion is all the more unfortunate, for, of the three Presidency Funds, the Bengal Institution has hitherto been least assisted by the Government, and has always stood, as it stands now, most in need of assistance. This statement is not put forward vaguely: it is amply supported by the following figures, showing the amount of assistance (in the shape of donation interest) given to the Funds of the three Presidencies, side by side, with statistics of the numerical strength of the Services and the subscriptions of the Members.

* From Secretary of State, No. 179, dated 8th August 1866, received under Financial Department endorsement No. 2534, dated 29th September.

	No. of Civil Servants.
† 1825	372
1840	448
1855	491
1860	515
1865	578

‡ An increase of the Civil Service Establishment to 600 is believed to be already in contemplation.

	Number of Civil Servants on the Establishment.	Amount of Subscriptions by Members.	Amount of Govt. Donation Interest.
		Rs.	Rs.
Madras and Bombay ...	(A) 318	(B) 1,58.378	(C)4,31,868
Bengal	(A) 578	(B) 4.70.305	(C)1,92,769

4. The Managers would earnestly solicit attention to the figures given above. They show that the Bengal Fund, though charged with the provision of pensionary benefits for the families of an Establishment of Civil Servants, exceeding by 81 per cent., the combined Establishments of Madras and Bombay, and though raising for that object a subscription income nearly three times as large as the combined subscription income of Madras and Bombay, receives a Government donation considerably less than one-half of that given to the Madras and Bombay Funds

5. In making this comparison it has not been forgotten that the Bengal Fund recently received permission from the Secretary* of State to transfer a considerable amount of capital from the "additional" to the "ordinary" head of account, thereby increasing the donation receivable. This additional donation has been included in the above figures, in order that the comparison may fairly show the enormous disproportion *still existing* in the amount of aid received by the Bengal Fund, and the amount obtained by the similarly constituted Funds of the sister Presidencies.

6. And this disproportion becomes all the more entitled to consideration when the reason of it is explained. The Government aid is given in the shape of privileged interest on capital, and it is the misfortune, not the fault, of the present generation of Subscribers that the Bengal Fund is so pre-eminently deficient in capital. Left in 1850 (when the first professional examination of the state of the Fund was made) with a deficiency of nearly nine lakhs in the value of the pensions actually assigned to the families of their deceased predecessors, and without a farthing to represent the

* Despatch No. 84, dated 17th April 1866.

NOTE A.—The number of Civil Servants has been taken in April 1865 for Bengal, in July 1865 for Bombay, and in January 1866 for Madras.

B.—The contributions here entered are for 1864-65 as follows :—

	To 8 per cent. Fund.	To Additional Fund.	Total.
Madras ...	Rs. 28,700	Rs. 54,507	Rs. 83,207
Bombay ...	,, 58,926	,, 16,245	,, 75,171
Bengal ..	,, 2,46,449	,, 2,23,856	,, 4.70.305

C.—The amount of donation for each Fund has been calculated as follows :—

Madras—Privileged Capital of Charity Branch on 1st January 1865	...	Rs. 67,16,790
The 4 per cent. donation on which is	Rs. 2,68,631	
Bombay—Privileged Capital of Provident Fund on 1st May 1865	...	,, 40,80,941
The 4 per cent. donation on which is	Rs. 1,63,237	
Bengal—Privileged Capital of Ordinary Branch on 1st May 1865 .. .		,, 36,60,803
The 4 per cent. donation on which is	Rs. 1,46,432	

to which has to be added the donation receivable on the amount, the tranfer of which from the additional to the ordinary branch was recently sanctioned. The donation on this amount similarly calculated is Rs. 46,337, which with the amount previously given, makes a total of Rs. 1,92,769.

accrued interests of the living Subscribers and of those who had retired with reversionary interests, the Members of the Service did not hesitate to assume the enormous responsibility thus devolved on them. Since 1850 they have striven, by the continued maintenance of a high rate of subscription, unequalled in any other Presidency, to place the finances of the Institution on a satisfactory footing. Their efforts have not been altogether without success; but it has been a grievous addition to their burden that the aid of Government is measured not by the efforts which they themselves are making, but by the capital, in which their predecessors left them so deficient. And, even now, after continuing for so long a time the present high rates of subscription, and after crediting the Fund with the full calculated value of the future subscriptions of existing Members, to the end of their lives, at the same high rates, it has been calculated by the London Actuary that the liabilities of the Institution exceed its assets by nearly 12 lakhs.

7. The Managers will not dwell further on the unfortunate circumstances in which the Civil Fund of the Bengal Presidency has been and is still placed, or on the additional disappointment which has been felt at the practical exclusion of the Institution from the enjoyment of the benefits contemplated in the arrangement offered in 1862, but will at once proceed to indicate the specific request which they now venture to submit.

8. They ask to be allowed to take immediate advantage of a portion of the arrangement offered in 1862,—a half portion only, as will presently be seen, but still most acceptable to an Institution placed in so unfavorable a position as that of the Bengal Civil Fund.

9. The arrangement of 1862, as explained in the subsequent Despatch of 10th December 1863, No. 225, comprised the following provisions, *viz.*:—

(1).—The Government donation—interest (4 per cent.) to be exchanged for a fixed donation calculated on the average of the last five years.

(2).—The interest on the "Ordinary" capital to be raised from 4 per cent. to 5 per cent.

(3).—Interest at 5 per cent. to be allowed on the "Additional" capital.

(4).—The rate of exchange to be the rate fixed for transactions with the British Exchequer.

All that the Managers now ask is to be allowed to introduce the provisions numbered (3) and (4) above; and they earnestly hope that the moderate character of their request, no less than the peculiarly unfortunate position of the Bengal Civil Fund, will ensure a favorable consideration of the application.

10. The direct pecuniary benefit to the Fund from the third provision will be the difference between 5 per cent. interest and the interest obtainable by investment in Government Paper in the market. The indirect benefit will consist in the release of the Fund from dependence on a varying market for the investment of the additional capital; and this indirect benefit will be highly valued. The constant variation in the market value of the paper already possessed by the Fund is a source of uncertainty and inconvenience in the valuation of the assets of the Institution. And the uncertainty and inconvenience are still greater in respect of the valuation of the future income. To represent the value in present money of future subscriptions it is necessary to assume a certain rate of interest at which such income, when real-

ized, will be improveable; and the same assumed rate of probable interest has to be adopted in calculating the present value of all the liabilities of the Fund whether incumbent or contingent. For all these calculations elaborate Tables have to be prepared from time to time by a professional Actuary in London, and if the assumed rate of interest should be wrong, the whole Tables and calculations of the Fund will be wrong also.

11. The Managers attach great importance to the indirect benefit to the Fund which would result from the adoption of a known fixed rate of interest. If sanctioned effect would be given to this arrangement by selling all the available paper possessed by the Fund, and placing its proceeds (about Rs. 25,76,878) in the hands of Government under Book Debt Account at 5 per cent. interest.

12. As regards the fourth provision, the Government is aware that the rate of exchange hitherto allowed to the Bengal Fund is 2*s.* 1*d.* per Sicca Rupee (one Pound Sterling for 10·24 Standard Rupees), which is of course less favorable to the Fund than the rate of 2*s.* to the Rupee (one Pound Sterling for 10 Rupees), at which the transactions with the British Exchequer have recently been adjusted.

13. But when it is considered that the Government allows both to the Madras and Bombay Funds the still more favorable rate* 2*s.* 3*d.* per Rupee (or one Pound Sterling for 8⅔ Rupees), the benefit to be conceded to the Bengal Civil Fund, under the proposed alteration of the exchange rate, will not appear large.

* This favorable rate is practically allowed for the difference between it and the actual rate is reimbursed to the Madras and Bombay Funds in the form of an additional donation. The additional donation thus obtained by the Bombay and Madras Funds has not been included in the figures given in para. 3 above.

Extract from a Despatch from the Secretary of State, to the Governor-General of India in Council, dated 16th January 1867.

1. I have considered in Council your General letter, dated the 14th October last, No. 32, recommending that the Members of the Covenanted Civil Service should be requested to reconsider the Rule permitting Native (Christian) Members of the Service to subscribe to the Bombay Civil (Provident) Fund, which was approved in my Financial Despatch, dated the 16th August last, No. 112.

2. That Rule was proposed by the Trustees, recommended by you for adoption in your Financial letter, dated the 24th June 1867, No. 24, and is consistent with the principle laid down in Sir Charles Wood's Financial Despatch, dated the 22nd September 1866, No. 73.

3. As the Government is not responsible for the solvency of the Civil (Provident) Fund, any alteration in the Rules affecting its financial position must emanate from the Subscribers, and any interference on the part of your Government does not appear to be called for.

Extract from a Despatch from the Secretary of State for India to His Excellency the Right Honorable the Governor-General of India in Council, dated 8th May 1867.

I have considered in Council your Financial letter, dated the 15th February last, No. 56, forwarding copy of a letter from the Honorary Secretary to the Bengal Civil Fund, dated the 10th January 1867, bringing to notice the present unfavourable position of the Fund, soliciting that

interest at 5 per cent. may be allowed on the additional capital, which will be deposited with the Government, and that the rate of Exchange be the rate fixed for the adjustment of transactions with the British Exchange.

2. It appears from the papers forwarded by you that the Managers of the Fund propose to sell the Securities in which the additional capital is now invested, and to place the proceeds, estimated to Rs. 25,76,878, in the hands of Government under Book Account at 5 per cent. interest.

3. To this arrangement I have no objection.

4. The Managers also request that the rate of Exchange for the adjustment of transactions with the Fund may be fixed at two shillings the Rupee at which rate transactions with the British Exchequer have recently been adjusted.

5. It was intended, as stated in para. 12 of the Financial Despatch to the Government of India, dated the 25th November 1862, p. 193, that the rate should be that fixed annually for the adjustment of transactions with the British Exchequer, but as a varying rate might cause inconvenience, I am willing to allow an Exchange of two shillings the Rupee to be fixed as requested.

Extract from the Proceedings of a Half-yearly General Meeting of Subscribers to the Bengal Civil Fund, held at the Town Hall, on the 31st July 1867.

PRESENT:

THE HON'BLE F. B. KEMP.	R. B CHAPMAN, ESQ.
THE HON'BLE W. S. SETON-KARR.	A. V. PALMER, ESQ.
THE HON'BLE L. S. JACKSON.	W. CORNELL, ESQ.
H. D. SANDEMAN, ESQ.	A. SMITH, ESQ.
THE HONB'LE C. P. HOBHOUSE.	C. D. FIELD, ESQ.
THE HON'BLE F. A B. GLOVER.	H. L. HARRISON, ESQ.
E. F. HARRISON, ESQ.	A. MACKENZIE, ESQ.

"The Managers are glad to be able to inform the Meeting that effect has now been given to the conversion of Rupees 8,95,744 of the balance of the Fund bearing interest at 4 per cent. into capital of a like amount bearing interest at 8 per cent. This transaction will appear in the accounts of the Fund for 1866-67, which will be published in the Proceedings of January next.

"The Managers have also much pleasure in announcing that the Secretary of State has granted the two concessions asked for in their Secretary's letter of the 10th January, last,—*viz.*, the allowing of 5 per cent. interest on the additional capital of the Fund, and an uniform rate of exchange of 2*s.* to the Rupee.

"The advantages to the Fund of these concessions are very considerable, and will probably at no remote date enable the Managers, with the consent of the Members, to take steps for either increasing the benefits of, or reducing the subscriptions to the Fund. In laying before the Meeting a minute on this subject by Mr. A. M. Monteath, the Managers would wish it to be distinctly understood that the time has, in their opinion, not yet come for taking action upon the suggestions therein made, but they are anxious that Subscribers should be fully informed of the present favorable position and prospects of the Fund, so that they may be prepared to assist the Managers by suggestions when the question is ripe for disposal."

6. The Chairman then drew the attention of the Meeting to the important announcement made by the Managers in regard to the improved state and prospects of the Fund. While deprecating any hasty action in the way of reducing subscriptions or increasing benefits, he thought it very desirable that Members should carefully consider Mr. Monteath's minute so as to be prepared, to say what course they would prefer to adopt when they

were assured on competent professional advice of the extent to which such modifications could be safely carried.

This view was adopted by the Meeting.

MINUTE.

It seems improbable that the re-valuation of the assets and liabilities of the Civil Fund, consequent on the sanction accorded by the Secretary of State to the propositions* submitted in January last can be got ready in time for submission to the July Meeting. It may be well, however, having regard to the immensely improved footing on which the Fund has now been placed, to lay before the Meeting in July a brief description of the changes which have of late been effected, and of the financial results expected therefrom. It may be desirable also to give to the Subscribers some idea of the measures which present themselves to the Managers as likely to be taken into consideration, should the condition of the Fund, on its present improved footing, be shown to warrant either a reduction of income or an enlargement of the scale of pensionary benefits.

2. The principal measures carried out during the five years (1862-67), for which I held the Secretaryship of the Fund Office, were as follows :—

(1.)—The recovery in January 1863 of Rupees 1,24,106 of capital bearing interest at eight per cent. being outstanding dues for periods prior to 1830.

(2.)—The introduction in October 1862 of a revised apportionment of expenditure between the two branches of the Fund, whereby the disproportionate drain on the valuable capital of the Fund (bearing eight per cent. interest) was rectified.

(3.)—The representation of the claim of the Fund to transfer a large portion of its assets from the additional head of account to the ordinary or eight per cent. head, which resulted after a long correspondence in the concession of the claim by the Secretary of State. Effect was given to this measure in November last, Rupees 12,74,923 of eight per cent. capital being substituted for Rupees 9,55,549 of four and-a-half per cent. capital.

(4.)—The obtainment of sanction to the whole additional Funds being allowed to stand in Book Debt with Government at five per cent. interest, instead of being invested at market rates of interest.

(5.)—The obtainment of sanction to the rate of exchange at which the Secretary of State supplies funds in England, from 10·24 Rupees per pound sterling to 10 Rupees per pound sterling.

Several other minor measures of improvement could be enumerated, but the above list contains a brief description of the main directions in which financial improvement has been effected.

3. The aggregate effect of all these measures is immense. Our deficit in 1863 was calculated by the Actuary to be no less than £133,366 which was raised by corrections made by me, and subsequently admitted by the Actuary to £152,763.

4. It may now, however, be confidently stated that this deficit has entirely disappeared, and that the re-valuation about to be made for 1st April 1867, will show a considerable surplus of assets. It may, perhaps, be premature to hazard an opinion now as to what the results of the re-valuation

* *Viz.*, for five per cent. interest on the additional Funds and for an exchange rate on England of 2 shillings per Rupee.

will be; but I believe I am not far wrong in estimating the surplus which will be shown thereby at about seven lakhs of Rupees.

5. To avoid misconception, however, it may be well to observe that, in calculating the present value of future subscriptions during the lives of existing* Members, the subscriptions are supposed to continue *at the existing rates.* The existing rates are high rates, much higher than are levied in the Presidencies of Bombay and Madras. The existence, therefore, of an estimated surplus simply shows that it will not be necessary to continue the existing high rates to the end of the lives of the present Members; and it will be a question for the Subscribers to decide whether they will make gradual reductions in the rates from time to time, according as the estimates may warrant such reductions, or whether, in some respects, it may not be preferable to increase the scale of pensionary benefits.

6. My opinon is, that we should do nothing tending either to reduce our income or increase our expenditure without previous reference to an Actuary; and I think, moreover, that it would be proper for us to engage† the services of an Actuary permanently, to whom the accounts of every year should be submitted, and from whom we would get a yearly report, as is done by the Uncovenanted Service Pension Fund.

7. Without such a stipulation I should be unwilling to give rise, by any remarks of my own to schemes having for their object the reduction of, income or the increase of benefits; but having made the above proviso, I think we may unobjectionably begin now to invite a consideration of the best way of dealing with any surplus which may be shown to exist.

8. The direction in which it seems to me that we should first move will presently be indicated. I do not mean to say that we shall be in a position to do all that I proceed to suggest, but the enumeration of several courses of action will place the Subscribers in all the better a position to choose the best, should it be determined, after consultation with an Actuary, that we can safely make a commencement. I regard the following objects as most deserving of attention :—

* It may be well here to explain briefly the general principle of our estimates.

The *liabilities* consist of—

(1.)—The present value of all pensions already assigned the present value being the sum of money which if now laid down, is calculated to be sufficient, with intermediate interest accumulations, to defray the pensions, the last rupee being spent in payment of the last rupee due.

(2.)—The present value of contingent pensions which may become due on account of existing wives and children on present Subscribers.

(3.)—The present value of contingent pensions which may become due on account of future children of existing marriages, or on account of the wives and children of future marriages of existing Subscribers.

(4.)—The present value of expenses of management for the present generation.

The *assets* consist of—

(1.)—Realized Capital.

(2.)—The present value of subscriptions of existing Subscribers to the end of their lives, and of miscellaneous receipts for the present generation.

If the liabilities and assets so calculated balance each other, it is assumed that the Fund is solvent, and that the present generation of Subscribers can, with the aid of accumulated capital, meet all existing liabilities and all liabilities on account of their own families, present or prospective. In other words, if the Fund were to be at once closed to new entrants, the assests realized and contingent would be sufficient to meet the liabilities incumbent and contingent.

† We could probably do this for £150 per annum, with extra payment for all new Tables constructed for our use.

I.—Reduction of Income.

The subscriptions levied from Annuitants press, perhaps, more heavily upon them, owing to the comparatively small amount of their income than the subscriptions paid by active Members. I would not propose to do away with the subscriptions from Annuitants, but I would offer to them much more favorable terms on which to compound by lump payments for future subscriptions. The terms at present offered for composition payments are actually a source of profit to the Fund. The lump payment at present demanded is a sum of money, which, if laid out at 5 per cent. interest, is calculated to represent the present value of the future subscriptions of the Subscriber who compounds. But on a portion of the money so received (representing the "ordinary" subscriptions), the Fund actually receives 8 per cent. interest. Very few Annuitants now-a-days do compound, and it is obvious that if lower rates would stimulate composition, the Fund might offer them without any loss whatever; and if the present rates were reduced to (say) one-half, the loss to the Fund would probably be scarcely appreciable. I think we might offer to compound at half rates in respect of all existing Annuitants; and as regards future Annuitants who have been paying high taxation rates for a comparatively long period of their service, I would give still more favorable terms, (say) one-third rates.

II.—Enlargement of Benefits.

(a.)—I think that the marriage portion of pensioned daughters should be increased. At present it is £300. The Bombay Fund, I believe, gives £1,000. Any such step as this would probably, by stimulating marriage among pensioned daughters, prove in the end to be a very inexpensive measure. Perhaps £500 might be adopted as a first step in the direction indicated.

(b.)—I think that on the death of a Subscriber a *bonus*, equivalent to a year's pension, should be given to all members of his family in India at the time of his death, and a *bonus*, equivalent to half a year's pension, to all members in England. There are many unavoidable expenses to be incurred by a family suddenly bereaved; and although the Fund pensions many be sufficient for their support when settled, they are often subjected to considerable pecuniary embarrassment at first; and I feel sure that an immediate payment of the kind indicated would be most seasonable in many cases. I have suggested a larger payment in the case of those in India, because, ordinarily, they have to incur more expense in the provision of passage home, &c.

(c.)—I think that the allowances of pensioned daughters of marriageable age residing in India should be increased. It is an object to give every encouragement to pensioned daughters to come out to India, where the probability of marriage is greater than in England. I would also give £100 as passage money to every such pensioned daughter proceeding to India.

9. I have sketched the above measures not, as already stated, with the intention of proposing the immediate adoption of them all, but rather of indicating the points to which, in my opinion, it will be advisable to turn attention, should it be clearly shown that the condition of the Fund will admit of some step towards reduction of subscription or enlargement of benefits; and I have no doubt that, if the Subscribers generally be now made aware of the possibility of their soon being called upon to decide upon measures of this sort, many valuable suggestions will, in the meantime, be received from individual Members.

Extract from a Despatch from the Secretary of State, to the Governor General of India in Council, dated 24th January 1868.

"4. The certificate which the Trustees required in regard to the Provident Fund of a Subscriber's inability to return and serve in India without imminent risk to his life," is inconsistent with the terms on which invalid pensions were conceded by the Financial Despatch of the 25th November 1862. The Subscribers to the Provident Fund may make whatever Rules they may consider necessary in regard either to the rates of subscription or the forms of Medical Certificate to be applied to Members of the Civil Service, in order to secure the benefits of that Fund, for the solvency of which Government is not responsible, but it is beyond their province to restrict the grant of invalid pensions which are borne by the State."

Extract from the Proceedings of a Half-yearly General Meeting of Subscribers to the Bengal Civil Fund, held at the Town Hall, on the 28th January 1868.

"The Managers are glad to be able to announce to this Meeting that the valuations made by the aid of the new Tables have fully shown the solvency of the Fund."

"The detailed valuation shows that there is a surplus of assets of Rs. 8,94,376."

"A Memorandum by Mr. Monteath, explanatory of the mode in which these valuations have been made, is laid upon the Table."

"But as the current year 1867-68 is a quinquennial year, and under Article 43 a calculation of the actual values of the assets and liabilities of the Fund will be necessary at its close, the Managers propose to wait to see the result of this valuation, which they hope will enable them to submit to Subscribers definite proposals either for the extension of benefits or for the reduction of contributions under Article 44 of the Rules."

Memorandum by A. M. MONTEATH, ESQ., dated the 23rd December 1867.

In returning to the Honorary Secretary to the Bengal Civil Fund the accompanying papers, I beg to state that I have looked over the valuations made by the Fund Office of the Liabilities and Assets of the Fund for 1863, 1865, 1866, and 1867. I have not, of course, been able personally to verify the figures in detail, but the calculation appears to have been made out in accordance with the instructions which I left with the Office when I resigned the Secretaryship.

The estimates for 1863 and 1865 are based upon the tables and calculations of the Actuary, Mr. Brown, subject only to one modification which will presently be explained. The estimate for 1866 has been constructed on exactly the same method, *i. e.*, on Mr. Brown's tables, with the modification above referred to. The estimate for 1867 differs from the others only in respect of the rate of interest at which the funds of the additional branch are supposed to stand and of the rate of exchange, the difference being due to the concessions in respect of rates of interest and exchange recently granted by the Secretary of State.

The one point of difference between the principle of the above calculations and that of the Actuary, Mr. Brown, has reference to a question depending for its solution not on any intricate calculation or theory, but on a simple question of fact arising out of the constitution of the additional branch in 1850. The Members of the Fund then decided to extend its benefits, which they were at perfect liberty to do within the limits of their then existing Assets on which the Government had guaran-

teed 8 per cent. interest: but the extension of benefits went beyond this limit, and the Government objected to pay the abovementioned rate of interest on any additional subscriptions which it might be necessary to levy for that object. Certain additional subscriptions were levied, and in respect of these subscriptions the Fund was limited to a lower rate of interest. It was calculated at the time by the Actuary, Mr. Davies, that the pension payments ought to be debited to the Additional and Ordinary Branches in the proportion of 47 and 53 per cent. The Managers, however, fixed ⅓rd and ⅔rds as the proportions, and in doing so certainly gave rise to a very large and unnecessary waste of the valuable capital of the Fund. In 1862 the proportions originally suggested by Mr. Davies were restored. These proportions have now become obsolete and inapplicable owing to the great subsequent improvement of the assets of the Ordinary Branch, resulting principally from the transfer of a large amount of capital to it from the additional branch. Mr. Brown has suggested a new proportion, and apparently intends that proportion to be fixed absolutely and for ever; and considers, if I understand him rightly, that if the income of the Ordinary Branch should exceed what may be required for the payment of that proportion of pensions, the Fund should give up its claim to 8 per cent. interest thereon. But from what I have already said regarding the nature of the arrangement in 1850, it will be evident that the Fund is entitled to 8 per cent. interest, not on the funds required for defraying a fixed proportion of pension payments, but on the funds realized from a certain fixed percentage rate of subscription, and that the lower rate of interest is to be drawn on the subscription realized in addition to the original subscription rates. If it be shown, as will certainly be the case ere long, that the present very high rates of additional subscription are not required, then let them be reduced or let the benefits be increased, but let the principle be kept well in view, that the Fund is entitled to the higher rate of interest on the proceeds of the original 2½ per cent rate of subscriptions.

Of course, the Fund might abuse this privilege by not paying from the Ordinary head a fair and proper proportion of the pension payments: but the interest of Government will in this respect be fully protected, if the proportion of payments be fixed yearly or periodically according to the proportion of the aggregate liabilities which the assets of the Ordinary Branch are able to bear.

This is the principle kept in view in the estimates now under reference. The Ordinary Branch is made to bear a proportion of the liabilities exactly equal to its means, the surplus or deficit being thrown into the additional branch.

To carry out this principle, it will be necessary, as above stated, to alter the proportion of pension payments debitable to the Ordinary Branch, either yearly or periodically, according to the valuation of each year or period of years.

I think that the alteration ought to be periodical, *i. e.*, at each quinquennial valuation, and that the first alteration ought to be made at the quinquennial valuation due next year.

Meantime, I think that the Actuary, Mr. Brown, ought to be furnished with copies of the valuations and with explanations on the points above noticed, and should be requested to offer his opinion not only on the valuations, but on the propriety or otherwise of taking any present steps towards the reduction of income, or the enlargement of benefits, with reference to the proposals made by me in my Minute of 26th June last.

In that Minute I roughly estimated the surplus at seven lakhs. The detailed valuations show it to be larger.

Extract from the Proceedings of a Half-yearly General Meeting of Subscribers to the Bengal Civil Fund, held at the Town Hall, on the 29th January 1869.

"The Managers lay on the table the results of the quinquennial valuation of the Assets and Liabilities of the Fund for the period ending 1867-68. They congratulate the Service on the progress of the Fund as shown by these valuations, there being an estimated surplus of Assets amounting to over 10 lakhs of Rupees. It must not, however, be supposed that this estimated surplus is due solely to the normal growth and improvement of the Fund. During the period 1863-68 various exceptional and important measures have been carried out which have combined to produce this result. Among these may be noted :—

(1.) The transfer of Rs. 8,95,744 from the additional Branch to the ordinary at 8 per cent.

(2). The change in the rate of exchange from 10·24 Rupees per pound sterling to 10 Rupees per pound sterling.

(3). The profit realised by sale of the Government Securities in which the additional capital of the Fund was invested with a view to its being placed in book debt at 5 per cent."

"This being the case, the Managers have not thought it advisable to suggest any alteration in the rates of subscription either ordinary or additional. They prefer to suggest an increase of benefits to that extent which the ascertained surplus may, under the advice of the Actuary, be held to warrant."

"The first measure which the Managers recommend is one which will prove advantageous to all classes of Subscribers. They propose that all Annuitants be permitted to compound for their future payments of subscription at one-tenth of present rates. The sum so obtained will be merely nominal, and the boon amounts virtually to relieving Annuitants from all subscriptions to the Fund. It is thought prudent to retain a rate of composition however small in order to ensure correct returns to the Fund Office of family changes, and under the proposed rule every marriage and birth would have to be duly reported. It will also serve to secure a specific expression on the part of each retiring Member of his intention to retain an interest in the Fund."

"The case of Annuitants who have already compounded, it is proposed to meet by refunding to each nine-tenths of the amount which he would have to pay, if he compounded now for his existing liabilities."

"The Managers further propose allowing the sons of deceased Members a sum of £500 each on their attaining the age of 21 years."

"They would permit this sum to be drawn at any time between the age of 16 and 21 on a boy's being settled in any profession or employment, the whole amount of the annuity due up to the end of his 21st year being at the same time paid in advance, and all claims on the Fund ceasing, as at present."

"They further propose to raise the marriage portion of daughters to £500."

"It is probable that the above proposals, if adopted, will absorb most of the estimated surplus."

"The Managers have, in anticipation of these views meeting with the approval of the Service, referred the valuations and proposals to the Actuary, with a request that he will report the financial effect of each of the proposed measures

and the extent to which all or any of them can be safely carried out, and they will ask the Service to empower them to give effect to these benefits from the 1st April next, should the Actuary's reply be favorable."

Extract from the Proceedings of a Special General Meeting of Subscribers to the Bengal Civil Fund, held at the Town Hall, on the 15th March 1869.

The Secretary read the Notice calling the Meeting, and the proposals of the Managers referred to in that Notice.

The Secretary also read sundry communications from Subscribers in England, and also a letter to the Chairman of the Meeting, containing a protest by Mr. J. I Harvey against the Managers' proposals.

The Secretary intimated that the following proposals, in addition to those already referred, had been submitted to the Actuary on Mr. R. B. Chapman's suggestion :—

"That some additional benefits be provided for children left absolute orphans by the death of their mother as well as father ; that children in the above circumstance should be allowed fifty per cent. more than those whose mothers are alive up to the age of 18 years, or, if that be thought too much, that their allowance be raised as above, with the proviso that the allowance of any one child should never exceed £120."

"That the allowance drawn by a boy should not cease during his life-time in case of his being wholly incapacitated mentally or physically from earning his living."

1. Moved by Mr. Smith, and seconded by Mr. Peacock:—"That, subject to the result of the reference to the Actuary, the present rates of subscription, ordinary and additional, be maintained for the period of 1868-73.

Carried.

2. Moved by Mr. Geoghegan, and seconded by Mr. Tottenham :—"That, subject to the result of the reference to the Actuary, Annuitant Subscribers be permitted to compound for their existing liabilities at one-tenth of present rates."

Carried.

3. Moved by Mr. Sandeman, and seconded by Mr. Tottenham :—"That, subject to the result of the reference to the Actuary to Annuitants who have already compounded, a refund be made of nine-tenths of the amount which they would have to pay if they compounded now at present rates."

Carried.

4. Moved by Mr. Bell, and seconded by Mr. Peacock :—"That, subject to the result of the reference to the Actuary, the marriage portion of daughters be raised to £500.

Carried.

5. Moved by Mr. Smith, and seconded by Mr. H. L. Harrison :—"That, subject to the result of the reference to the Actuary, to each son of a deceased Subscriber, there be given a sum of £500 on his attaining the age of 21 years, and that the Managers be empowered to pay this sum at any time between the ages of 16 and 21, on being satisfied that the recipient has been settled in any profession or employment; the amount of his annuity up to the end of his 21st year being at the same time paid in advance, and all further claim on the Fund ceasing."

Carried.

6. Moved by Mr. Peacock, and seconded by Mr. Geoghegan:—"That the Managers' proceedings in referring the above proposals, together with the valuation papers to an Actuary, be confirmed."

Carried.

7 Moved by Mr. Dampier, and seconded by Mr. Bell :—"That it be understood that the above resolutions 4 and 5 have been adopted, subject to the opinion of the Actuary, and that, in the event of his reporting that the assets will not admit of the advantages set forth in those two resolutions being given, as well as certain other benefits which have been referred to him on Mr. R. B. Chapman's proposition, then the Managers shall take the sense of the Subscribers as to which of the said benefits shall be selected for adoption."

Carried.

One hundred and nineteen proxy votes on the above questions from Annuitants and Subscribers in England were submitted at the Meeting.

Extract from the Proceedings of a Half-yearly General Meeting of the Subscribers to the Bengal Civil Fund, held at the Town Hall, on the 27th July 1870.

The Managers received in March last the report of the Actuary (Mr. Brown) on the valuations of the assets and liabilities of the Fund for the quinquennial year 1867-68. Printed copies of this report have been circulated among the Subscribers. The Actuary, while generally confirming the Managers' estimate of the improved position of the Fund, is of opinion that the increased benefits suggested to the Meeting of January 1869 are too costly to be at present brought into operation. The question indeed of there being a surplus available for any extension of benefits depends, as Mr. Brown shows, upon the excess funds under the ordinary branch of the Fund being convertible to meet deficiencies in the Additional branch. The Managers have no doubt that they are so available; but they are fully impressed with the necessity for extreme caution in dealing with a Fund constituted as the Civil Fund is, and they concur with the Actuary in recommending that for the present the extension of benefits be confined to the proposals embodied in the amendments of Articles V., VIII., and XXX. of the Rules which have been duly advertised as follows :—

The Managers will propose an amendment in Articles V. and VIII. of the Rules, with a view to allow Annuitants and retired Subscribers to compound for future subscriptions at half values, it being optional to a retired Subscriber in lieu of compounding to continue to pay subscriptions at half rates.

The Managers will also propose the following addition to Article XXX. of the Rules :—

Provided also that the Managers of the Fund may continue the whole or any part of his pension to any son of a deceased Subscriber, who, on his attaining the age of 21 years, and may be proved to their satisfaction to be wholly incapacitated from gaining his livelihood, such incapacity being produced by causes beyond his control, and being duly certified from time to time in such way as to the Managers may seem sufficient.

The Managers will likewise ask the sanction of the General Meeting to their refunding to all Annuitants and retired Subscribers, who have already compounded one-half of the amount which they would have to pay if they compounded now for their existing liabilities.

A minute upon the Actuary's report has been forwarded by Mr. Monteath, in which, after correcting certain errors, clerical and other, in Mr. Brown's paper, and discussing the mode of adjust-

ing assets and liabilities, he impresses on the Managers the necessity of proceeding with great caution in any extension of benefits, and suggests that before dealing with any surplus five per cent. should be added to our liabilities by way of margin. He then, in lieu of the proposal that the subscription of retired Members should be reduced to half rates for existing liabilities, suggests that the additional subscription of Annuitants should be reduced by nine-tenths; the ordinary subscription on which the Fund draws 8 per cent. interest remaining the same.

"The Managers after carefully considering Mr. Monteath's proposals are not prepared to support them. They are of opinion that when every possible liability incumbent, contingent, and future contingent, has been taken at full value, to add any such margin as 5 per cent., or indeed any margin at all to the estimate, is unnecessary. Apart from this, however, they have valued the assets and liabilities of the Fund as they stood at the close of 1869-70, and the result is such as they think fully warrants their adhering to the proposals already advertised. Mr. Monteath's suggestion to lessen additional and not ordinary subscription they must certainly reject. The class which in their opinion has most claim to relief is that of bachelor Annuitants who have paid throughout their service for benefits that have been always to them merely contingent in the future. This class Mr. Monteath would shut out from all share in the surplus which they have helped to make.

Letter from R. B. Chapman, Esq., dated 23rd December 1871.

My dear Mackenzie,—In accordance with the wish of the Managers, I proceed to state in writing rather more at length the nature of the proposal for winding up the Civil Funds on which I was authorized informally to consult the Managers of the Bengal Fund, with a view of ascertaining how far, in their opinion, any proposal of the kind is likely to be acceptable to the Civil Service generally.

The history of the Bengal Fund shews that the Managers have, in the past, committed very serious blunders. The Trustees of the Bombay Fund have, in like manner, as we believe, fallen into grave errors.

I gather that you have information in your records which makes it highly probable that the Madras Fund also has been mismanaged.

The Government has from first to last never attempted any audit of these Funds, which have been left entirely to the management of the Trustees.

These Funds are highly complicated Institutions, the proper management of which must even now, after all the actuarial investigations made, be a matter of exceeding difficulty. The Government has no expectations that it will have at its command the professional skill required for auditing the accounts of the Funds. Nor can it be expected, after past experience, to place any confidence in the capacity of future Managers for the sound and correct government of these Institutions. So far as the Government is concerned, there appears no reason whatever why the assistance which it gives to these Funds should not henceforth be commuted for another kind of assistance, not involving the necessity of keeping any accounts, personal or general, or risk of error of any kind. Were such a commutation fully effected, the Government would be quit of very serious and

difficult responsibilities, and the Service would be free from all costs of management and from all risks of such gross mismanagement as in the past has saddled a whole generation or more with penal rates of subscription. The Government therefore desire to commute its present assistance to liquidate pensionary allowances.

The Government believe that with due care and deliberation it can most unquestionably be determined by an Actuary, beyond the possibility of error, and beyond the shadow of a doubt, what pensionary advantages can be permanently afforded by the ordinary branch of this Fund, supported by the contributions which the State has hitherto made in the shape of privileged interest, &c. (It has no present intention of diminishing that contribution.) The *precise form* in which the money to be paid by the State on condition of a due amount of capital being surrendered to it, and of all further claims to contributions of any kind being given up, might be matter for negotiation. But the whole problem of exchanging the present form of assistance for the simpler one which it is desired to substitute, appears to the Government to be susceptible, by proper professional skill, of a perfectly certain solution. There need be no hurry whatever about it. Time, as much as is wanted, might be taken to make sure that the new assistance given is exactly equivalent to the assistance now contributed, but it is not believed that there is any serious difficulty in the matter. It is a very different thing to settle a question of this kind once for all from *managing* an Institution such as one of these Funds without continual professional care.

The method so far sketched is designed only to relieve the Government, and would not relieve the Services from the expense and risk of managing the *additional* funds, unless, indeed, it should be found that the pensions allotted as the equivalent to the Government contribution were sufficient to enable the Services to give up the additional funds altogether, a contingency not wholly impossible. That would be a question entirely for the Services to decide. The proposition as yet discussed would leave the Services at full liberty to maintain the additional funds or not, and to manage them as they please, only the Government would be wholly disconnected from them, and would discharge itself of all responsibilities by paying the pensions deliberately fixed as the measure of contribution due from it.

It is *possible* that the Government might be willing to give its equivalent in future in the shape of an annual donation for each Member of the Service if the Service should prefer that form. There would be no more difficulty of course in calculating the proper amount of such a donation than in fixing the amount of pensions. But I cannot say that I would advise the Government to adopt this plan which would place the *Government* pensions also at the mercy of any errors of management.

Should the Services prefer a more complete measure, one that would enable them to close the Funds absolutely, I think the Government would be willing to entertain a proposition to that effect.

An arrangement of this character might be either to ascertain and fix, after proper consideration, the benefits which the present subscriptions and the existing capital would provide, the Government undertaking, in consideration of the surrender of the capital and the continuance of the subscriptions, to pay the pensions so fixed for ever, or the proper pensions might be settled, and the subscriptions necessary to maintain them permanently might be fixed, the Government taking over the whole thing as before. In either case due

credit would, of course, be given for the value of the existing contributions by the Government. I believe it would be found that to secure the existing pensions permanently, it would not be necessary to continue the existing rates of subscription. It should be understood clearly that it is no part of the proposition that anything should be done hurriedly or immediately. The measure might be carried out at once, but its details should be subject to re-adjustment for one or two quinquennial periods till their correctness had been thoroughly ascertained.

It must be also understood that I write quite informally, and am not authorized to commit the Government to *anything*. The whole matter at present is merely undergoing preliminary discussion in which the Managers of the Bengal Fund are thus invited to take a share. It is quite understood that the Managers on their part can have no authority to commit the Bengal Service to *anything*.

Memorandum by Mr. Monteath, dated 4th March 1873.

I do not understand that the proposal communicated by Mr. Chapman contemplates the grant to the Service of any increased assistance. He remarks that the pensions allotted by Government as the equivalent of the Government contribution may possibly be found sufficient to enable the Service to give up the additional funds altogether; but this is merely because the same result may possibly come to pass under the present arrangement,* of which we are to get an exactly calculated equivalent under the proposed arrangement.

2. The sole object of the proposal is to relieve the Government of the risk and trouble of keeping the needful watch over the operations of the Fund, by changing the aid at present derived from Government in various shapes† into some shape of a simpler and more definite kind, which shall involve no intricate accounts or calculations.‡

3. Mr. Chapman's proposals may be enumerated as follows :—

I.—To compound with Government as respects the ordinary branch.

either (*a*).—By calculating the scale of pensions which the ordinary income and corresponding capital, together with all existing aid and privileges ought to provide, and by making over to Government the payment of such pensions together with the capital and income and resigning the present aid and privileges;

or (*b*).—By taking an annual donation for each Member of the Service in lieu of the present aid and privileges;

II.—To compound with Government as respects the whole Fund,

either (*c*).—By calculating the pensionary scale which the present income and capital together with all existing aid and privileges ought to provide, the Government agreeing to pay the pensions accordingly, taking over the income

* Quite so. R. B. C.

† *e.g.*—8 per cent. interest on ordinary capital, 5 per cent. interest on additional capital, exchange of 2 shillings per rupee, advances by Government in England repaid in India one year after date with only 4 per cent. interest annual fixed donation.

‡ Exactly. R. B. C.

and capital and withdrawing the present aid and privileges;

or (*d*).—By the Government agreeing to pay such scale of pensions as may be fixed upon, and taking over such capital and income as may be calculated to be necessary, when combined with present aid and privileges for the maintenance of such scale.

4. These proposals are, I believe, made with the fullest will and wish to give to the Service in future (though in a different shape) all the help, both present and prospective, which would fall to it* under a continuance of present arrangements. The reason assigned for suggesting the change, *viz.*, the trouble and risk to Government of keeping the needful watch over the operations of the Fund, is, in my opinion, one which fairly claims candid consideration on the part of the Service. It is not enough for us to say that as no benefits are held out to us, we do not think it desirable to acquiesce in any change: it is our duty to give full consideration to the wishes and convenience of a Government to which we are beholden, not merely for most liberal aid, but for a treatment, which, in all our difficulties and changing circumstances, has been throughout of an especially generous and honorable kind.

5. To my mind the proposals marked II are unquestionably the best, for they contemplate a composition as respects the whole Fund. To compound for the ordinary or privileged branch would relieve the Government of all the complex conditions of its present aid; but there would be no corresponding relief to the Service which would have still to maintain its additional fund, and would probably have to do so under a system of investment in the ever-varying public securities. By compounding, however, for the whole Fund, both the Government and the Service would be rid of the uncertainties appertaining to a complex system of calculation and management based upon a complex system of State aid.

6. Assuming, then, that the proposals marked II are the best, I would observe that to my mind the Service is not only bound in honor to consider the reasonable wishes of Government in the matter, but that it may also look to the suggested arrangement as one likely to confer a great benefit in the way of simplicity, certainty and stability in fulfilling the object of making provision for widows and orphans. We can look back upon a somewhat chequered history of Fund management, during portions of which the interests of the widows and orphans have been in sore peril. The Service, it is true, has always stood by the widows and orphans of a preceding generation, and has willingly consented to subscribe for the shortcomings of their predecessors. But can we reckon on this from our successors? In these times, when the *esprit de corps* of the Service is losing somewhat of its strength, and when our ranks are being filled to some extent by natives having no common sympathies with us in the matter of our social relations, are we safe in leaving even a prosperous Fund to be managed or mismanaged by our successors, with the chance that the results of mismanagement might fall upon our widows and orphans? The past decade has been one of high subscriptions and rapid progress: may not the next witness a re-action?

7. And, again, I see many dangers ahead in connection with the present complexity of our

* Quite so. R. B. C.

State aid. I believe that within the last few years we have been verging on the very course taken by the Bombay Fund of accumulating in undue proportion our privileged capital. Suppose that our successors, relying on a full treasury, should find it possible and convenient to reduce their own subscriptions, and that then the Government should come down with its claim for re-adjustment.

8. It would, of course, under such circumstances be open to a general meeting of the day to square matters either by a return to high rates or by a percentage reduction of benefits, in which last measure we, who have all along subscribed at high rates, would find a practical withdrawal from our families of the benefits so secured.

9. If it is possible to compound with Government for a scale of benefits really representing the present *prospects* of our Fund, then I for one would vote for it without a single reservation, and although there might be a difficulty in doing this at once, I do not see much difficulty in doing it in the manner proposed by Mr. Chapman, *viz.*, by having the arrangement so far provisional that its fairness to both sides would be subject to examination and adjustment for one or two quinquennial periods.

10. My opinion, therefore, is that the Managers should reply to Mr. Chapman stating their inability in any way to pledge the Service whom they represent, and whom, in the present informal stage of the proceedings they have not felt able to consult, but saying at the same time that individually they would feel disposed to meet in every possible way the wishes of a Government to which they are beholden for a consistently liberal treatment, feeling sure that in any arrangement which might be made the object of securing to the Institution a real equivalent of the aid at present enjoyed would be one common at once to the Government and to the Service.

11. I would then go on to indicate the grounds as given above for preferring the propositions coming under head II, and to say that if the Government is prepared to propose a reference of the subject to an Actuary, the Managers will be ready to lay the proposal before the Subscribers. The Actuary's instructions will probably be, to report (1) on the feasibility of the suggestion generally; (2) on the particular terms which the present circumstances and prospects of the Fund would seem to warrant, and (3) on the system under which these terms should be examined and adjusted hereafter.

Extract from a note on the history of the Surplus, prepared in 1873.

"It will be necessary at the risk of repeating what many Members already know, to state very shortly the meaning of one or two of the terms that must be used in the statement.

First, then, our Fund is composed of certain assets (being the accumulated capital, the subscriptions of present Members that are to be received in future years, and a few minor items, as Government donation, fines, &c.,) and certain liabilities being the payments that will have to be made to the widows and orphans now on the Fund, and to all who will in future be brought on the Fund by the death of Subscribers, including, of course, both those who are at present married and those who are not; also a few minor items, such as establishment, expenditure, &c.

Further, our Fund is composed of two practically independent branches or funds, each receiving definite parts of the income. On the accumulations of the one (the ordinary branch), the Government has consented to give us eight per cent. interest; on the accumulations of the order

(the additional branch), the Government gives us five per cent. The payments of the pensions, &c., are taken from these two funds, and are charged in proportions fixed by certain rules, being at present 78 per cent. to the *ordinary*, and 22 per cent. to the *additional* capital.

The Managers, therefore, were obliged to again refer the question to the Actuary, and to request him to value the Fund as it actually stood. This was the subject of Mr. Brown's second report received in 1867. He re-calculated all his value-tables on the basis of 8 per cent. for the ordinary, and 4½ per cent. for the additonal (that being the interest usually obtained by investment); and as the Managers had given him the facts of two dates, 30th April 1863 and 30th April 1865, he compiled from his new value-tables valuations of the Fund for these two dates.

To take first the results of 1863, Mr. Brown deduced for that date the conclusion that the Fund was in deficit by Rs. 17,97,721.* On one point, however, Mr. Brown had not sufficient information, and adopted an erroneous view. He held that it was in consequence of the Government concession of 8 per cent. interest that the ordinary fund should be used only to meet 53 per cent. of the liabilities, and that any surplus found in the ordinary fund, as compared with this proportion of liabilities, must be transferred to the additional fund, where, of course, it would accumulate only at 4½ per cent. and not at 8 per cent. As a matter of fact, however, no such obligation rests on the Fund, no such transfer has ever been made, and Government have never required it to be made. The Fund is quite entitled to do what it does, namely, to retain this surplus in the ordinary fund to meet liabilities there, over and above the 53 per cent., instead of transferring it to the additional fund, where it would accumulate only at 4½ per cent. interest; and the assets thus used are of course more valuable than if used as the Actuary assumed; in other words the deficit was not so great as he deduced.

The Actuary himself distinctly states this in his second report, para. 108—"Of course if the surplus . . . . in the ordinary fund may be allowed to remain there to go on accumulating at 8 per cent., it would be far better for the Members. But in making all the comparisons I have assumed that the 8 per cent. fund must first be made solvent (*i.e.* with respect to 53 per cent. of the liabilities), and that if it is so, any excess would have to be carried to the other fund."

To correct the Actuary's result, upon his own figures, for the other and more favorable conditions, involves merely a little simple addition and subtraction, and the operation performed shews the result to be a deficit of Rs. 11,93,131. †

* Second report, paragraph 104.—It should be noted that Mr. Brown gives two or three different valuations, on different hypotheses, but the one given in paragraph 104 is, as he says, the valuation "under the existing arrangements of the Fund."

† The Actuary's figures stated in the general form now adopted is—

Surplus = 47,45,230 + 209,413 $(1 - m)$ — 1,56,24,583 $(1 - m)$ + [67,94,031 + 1,46,670 m — 17,01,615—84,30,138 m] m being the proportion of liabilities chargeable on the additional Fund.

If m is taken = ·53 this gives the Actuary's first result, a surplus of — 17,97,721.

But if m be taken so that the quantity in brackets (which is the surplus in the ordinary fund) = 0, that is if m be taken at ·61477, this gives the result — 11,93,131.

The rapid increase in the surplus during the last few years is due partly to the growth of the operations and area of the Fund, but partly also to a policy adopted by the Managers to which Government has taken exception. This is the basis of the Government claim which is not yet settled, but the Managers allow themselves, pending that settlement, to count only such part of the surplus as would remain if the claim be admitted in full. A still further reduction is brought about by the use in the present valuation of new tables for valuing subscriptions based upon data more recent than those formerly in use. These two considerations reduce the surplus from Rs. 29,22,159, the figures given above, to Rs. 22,35,172.

From the Officiating Secretary to the Government of India, Home Department, to the Secretary to the Bengal Civil Fund, dated the 4th January 1873.

With reference to this Office letter No. 4599, dated the 10th ultimo, and previous correspondence, on the subject of the eligibility of three newly-appointed Native Members of the Civil Service to subscribe to the Bengal Civil Fund, I am directed to forward, for the information of the Managers, a copy of the papers noted on the margin.*

2. It will be seen that, through inadvertence, the clause providing for subscription to the Widow and Orphan's Fund was not struck out from the convenants of these three gentlemen. Under the circumstances represented in their letters, it is clear that the privilege of becoming Subscribers cannot be refused to them. I am, therefore, desired to request that you will be good enough to move the Managers to draw up a rule placing, as far as possible, the benefits of the Fund, as regards the widow and children of a Native Member of the Civil Service, on the same footing as the benefits secured by it to any other Member.

3. With regard to the rule to be adopted as to the future admission of Native Members of the Bengal Civil Service to subscribe to the Fund, the Governor-General in Council will be glad to receive an expression of the opinion of the Managers.

Letter from the Secretary, Civil Fund, to the Officiating Secretary to the Government of India, Home Department, dated 20th January 1873.

I am directed by the Managers to acknowledge the receipt of your letter No. 12 of the 4th instant, and in reply to state that they have no objection to admit as Subscribers to the Fund the three Native Members of the Bengal Civil Service, therein referred to.

They have drafted the following rules for the approval of the Members of the Service.

(I.) That in the case of a Native Member of the Civil Service, who has but one wife at one time the ordinary Rules of the Fund shall apply.

(II.) That in the case of a polygamous marriage where there are two or more wives living, only the one first married, and her children can be on the Fund.

III. That in any such marriage in the event of the death of the wife first married, the wife married next in order of time may be brought upon the

*To Government of Bengal, No 3179, dated 9th August 1872.

From ditto, No, 2284 R, dated 24th October 1872, and enclosures.

Fund from the date of the death of the first wife Provided that it shall be incumbent on the husband to give special notice on or after the decease of his first wife of his wish to bring such second wife upon the Fund. On receipt of this notice, the case will for the purposes of the Fund be treated as regards fines and all other matters, as if the husband had contracted a second marriage on the day of his first wife's decease.

(IV.) Provided that in the event of a second wife married during the life of the first coming upon the Fund, her children shall be admissable to the benefits of the Fund, only if born not less than one year after the death of the first wife.

As regards the second point, namely, the question of the future admission of Native Covenanted Civilians as Subscribers to the Fund, the Managers are of opinion that Native Civilians may in future be admitted under the Rules given above, or such others as may from time to time be framed to meet the circumstances.

The Managers can in no way pledge the Service to the opinions or the Rules above noted, and they do not relinquish the right to make any such future Rules with reference to the conditions under which Native Members of the Civil Service are to subscribe to the Fund as may be required either by the changed constitution of the Service or from actuarial or other reasons.

Extract from the Proceedings of a Half-yearly General Meeting of Subscribers to the Bengal Civil Fund, held at the Town Hall, on the 29th January 1873.

The Managers have had before them letter No. [illegible], dated the 4th January 1873, from the Officiating Secretary to the Government of India, Home Department, on the subject of the eligibility of three newly appointed Native Members of the Civil Service to subscribe to the Bengal Civil Fund. The Government of India considers that, as the clause providing for subscriptions to the Fund was not struck out of those gentlemen's covenants, the privilege of becoming Subscribers cannot be refused to them.

The Managers have at the same time informed the Government of India that they can in no way pledge the Service, to the opinions or the rules above noted, and also that they do not relinquish the right to make any such future rules, with reference to the conditions under which Native Members of the Civil Service are to subscribe to the Fund, as may be required, either by the changed constitution of the Service, or for actuarial or other reasons.

Extract from a Circular by the Secretary, to the Members of the Bengal Civil Service, dated 25th March 1873.

The Managers of the Bengal Civil Fund must now, in accordance with the promise contained in paragraph IV. of the report submitted by them to the last General Meeting of Subscribers, invite the Service to consider what steps it is desirable to take in order to utilize the surplus, which is apparent in the valuations of the Fund.

2. It has been estimated in the Financial Office note on the Fund accounts that the surplus at the close of 1870-71 amounted, after all adjustments, to about 18 lakhs of Rupees, and it was suggested that "to the extent of 12 lakhs at least of this, an adjustment should be made between the assets and aggregate liabilities either by reducing the

assets (*i.e.*, the subscriptions), or by enhancing the benefits, or partly by one and partly by the other.

3. The amount of this surplus has been increased during the last two years owing to the fact that the proportion of charge laid upon the ordinary or privileged branch of the Fund has not yet been brought up to the maximum which those privileged assets can bear. The Managers have determined to rectify this arrangement without any further delay; and, as the year 1873-74 commences a fresh quinquennial period, they have directed that, from the 1st April, the liabilities under the New Rules shall be charged in the proportion of 78 per cent. (instead of 60 per cent.) to ordinary capital, and 22 per cent. (instead of 40 per cent.) to additional, subject to any adjustment which may, on the results of the quinquennial valuation now due, appear to be necessary. This will prevent any further undue hoarding of the privileged capital of the Fund, of which Government might justly complain.

4. It remains, however, to dispose of the surplus which will probably be found by the quinquennial valuations to be well over 25 lakhs. Reserving, say 5 lakhs of this as margin, the Managers believe they may safely reckon on showing a surplus for disposal of more than 20 lakhs.

5. It is possible either to get rid of this by reducing subscriptions, or to devote it to providing increased benefits.

A note from Mr. Monteath, with reference to this subject, has been received, from which the following extracts may here be reproduced :—

"Various measures have from time to time been under the consideration of the Managers, and I give below an enumeration of them, with a rough estimate of the extent to which our present surplus would be reduced by each.

	Our surplus would be reduced by about—	
1. To reduce our income by knocking off all Annuitants' subscriptions (half of the old rates were knocked off some time ago, and this proposition refers to the remaining half)	7½	lakhs.
2. To add to our liabilities by increasing daughters' marriage donations from £300 to £500	3	,,
3. To give donations to sons on attaining the age of 21 of £300 each ..	6	,,
4. To do away with the one-sixth deductions now made in the pensions of widows whose husbands' subscriptions did not at death amount to the required proportion of benefits	2½	,,
5. To give to motherless orphans 20 per cent. increase over present rates of pension	1¼	,,

"These estimates are very rough, but they will perhaps enable the Managers to form some idea of the relative cost of the several changes, and when they have selected the particular changes which they feel inclined to recommend, more exact estimates could be made out. I have no doubt that Mr. Westland would do this for them.

"To my mind the last mentioned measure (No. 5) is a very desirable one, for though an orphan family is fairly well off at present rates, so long as the mother lives with her pension of £300 a year and a home for the children, they are very badly off when the mother dies

"Nos. 3 and 4 come next in order to my mind.

"I think it very probable that we might be able to carry out the whole five of the above-mentioned measures; but whatever we do should be subject to the results of calculations by our Actuary at home. There would be no objection in proposing measures with the express condition that they shall only have effect to such extent as may be approved by our Actuary.

"In conclusion, I would wish to say a word on the question which may no doubt occur to some as to why some substantial reduction should not be made in the rates of ordinary subscription, which is paid alike by bachelors and married men. I refer to this, because there is a common idea among bachelors that they are paying without any real benefit; but the future families of existing bachelors form really a very heavy item in our estimate

of liabilities, and they are in reality simply paying for what are called the 'future contingent benefits' assured to them by the Fund. But further, this ordinary income is, of all other classes of income, the most valuable to us, for it is on this that the Government gives us 8 per cent. Nothing could be more suicidal to our interests than to reduce the ordinary subscriptions."

6. The Managers are quite at one with Mr. Monteath in deprecating any reduction of the ordinary subscriptions upon which the Fund receives privileged interest. It may be taken as certain that, if once reduced, no future increase of that subscription (were this ever found necessary) would be allowed by Government to carry eight per cent. interest. The loss to the Fund would be great and irreparable. The only condition on which it would be at all prudent to reduce the ordinary subscription would be that Government should consent to allow an equivalent amount of additional subscription to be brought within the privilege. The Managers do not feel at all sanguine that Government would entertain favorably any such proposition.

7. The only measure tending to reduce income, which the Managers are prepared to put forward, is that suggested by Mr. Monteath, *viz.*, the remission of all subscriptions in the case of Annuitants and retired Members of the Service. There is something to be said both for and against this proposal. On the one hand, the relief afforded by it would extend to married and unmarried alike, and those lately retired or about to retire, whose subscriptions under the new rules have contributed to make the Fund solvent, would no doubt specially appreciate the boon. On the other hand, Annuitants' payments are necessarily low; they have already been reduced to one-half of the full rates, while the liabilities which Subscribers of this class bring upon the Fund in the shape of wives younger than themselves and their children are often peculiarly heavy. It should be remembered that the fine upon the marriage of a Subscriber with a lady disproportionately younger than himself in no way compensates the Fund for the special liability imposed upon it by such a marriage. Whatever further relief may be given to Annuitants, it should probably not affect subscriptions for wives married or children born after their retirement. The proposed reduction will also involve a surrender of part of the subscriptions on which the Fund gets 8 per cent. interest. The majority of the Managers are of opinion that before remitting entirely Annuitants' subscriptions, it is desirable to carry out some of the other measures which they now proceed to notice.

8. The first step which the Managers would wish to see taken in the direction of an increase of benefits is "to raise the pensionary allowances of children who have lost both parents 20 per cent. above present rates, provided that the total pensions of the family shall in no case be raised above the amount which it would have received had the mother been alive." This proposal will no doubt commend itself to every Member of the Service.

9. Next to this, in order of preference, the Managers would place the proposal to raise the marriage donation of daughters to £500. They believe that this is in itself very desirable, and that it might even prove advantageous to the Fund.

10. After this, the Managers would increase the benefits to sons, and they would do this, not precisely in the way suggested by Mr. Monteath of giving a donation on majority, but by increasing the pension of sons on their attaining the age of 16 years to £150 per annum, as a maximum, applicable whether the mother be alive or not.

The years from 16 to 21 are those during which a boy's education is most expensive; and the Managers believe it would be more advantageous to give the increased benefits in the way proposed by them than in any other.

11. Again, it has been suggested that the one-sixth deductions now made from the pensions of families of Subscribers who die without having made up by subscription the one-third value of such pensions should be given up prospectively, and full pensions be paid to all such families after a certain date.

12. Lastly, a proposal has been made that *immediately* on the death of a Subscriber, his family should receive as a bonus a sum equivalent to the amount of their allowances for one year; such bonus not to affect the payment of their regular allowances thereafter.

13. The Managers must ask the Members of the Service for a clear expression of opinion upon these various suggestions and upon the order of priority in which they would prefer to give them effect. It may be possible to compass the whole of them with the surplus in hand; but meantime it would be desirable that each Subscriber should fill up the accompanying Form A, and return it to the Fund Office at his earliest convenience.

No actual appropriation of surplus will be made without reference to the Actuary and careful estimation of the cost of each measure proposed; and no such reference can be made till the quinquennial valuation has been completed. It is important, however, to know the wishes of the Service at large before the Half-yearly Meeting in July.

Letter from the Officiating Secretary to the Government of India, to the Secretary Bengal Civil Fund, No. 985, dated 15th March 1873.

With reference to your letter No. 470, dated the 20th January last, I am directed to state that the Managers of the Bengal Civil Fund should take an early opportunity of ascertaining the views of the *Bengal Civil Service at large both as to the special conditions on which the 3 Native Members of the Service should be admitted to the benefits of the Fund and as to the advisability of admitting Native Civilians generally as Subscribers to the Fund in future.*

Memo. by the Secretary, Mr. A. Mackenzie, dated 25th March 1873.

The proposals made in this note were discussed at the Managers' Meeting of 24th March 1873, and approved.

From 1st April liabilities must be debited to ordinary 78 per cent., to additional 22 per cent. In making the quinquennial valuation, all Mr. Westland's amendments will be adopted except the one-sixth deduction.

Note of 24th March 1873.

I find many points of very great importance waiting for decision, in connection with the Fund, and I think it somewhat unfortunate that more advantage has not been taken of the cold weather, and the presence of the leading ex-officio Managers to advance the discussion of them beyond the present stage.

2. We have first Mr. Westland's note, and the questions of principle raised by that. I have read it through with very great interest, and I hope profit, and in common with Mr. Monteath, assent generally to its conclusions although there are several minor points on which from ignorance of the nature of the discussions of the Managers, Mr. Westland has somewhat misrepresented the relative positions taken up by them, the actuary, and Mr. Monteath. It must be remembered that

Mr. Westland's whole argument as to the mode of treatment of our ordinary and additional Funds depends upon the construction given to our arrangement with Government. He places our contract with Government in a new, though I think an equitable, and proper light. The Managers have already declared themselves in favor of the principle of prohibiting undue hoarding of our privileged capital; but both they (Mr. E. F. Harrison dissented on other grounds,) and Mr. Monteath also held originally very strongly that Government was bound to give in 8 per cent. on the 2½ per cent. subscriptions, irrespective of the object to which they were devoted, and it was held that when we had got this it was our own to do with as we pleased. It was most distinctly held at one time that, if *we liked*, we could accumulate surplus in our ordinary branch as a set off to deficit in our additional branch, and it was only of late years that the theory that we were bound to consider Government interests also began to assume greater prominence, and the question of what really constitutes *undue* hoarding began to be understood.

Mr. Westland did not know that in December 1868 upon the quinquennial valuation I got the sanction of the Managers to charging liabilities 66 per cent. to ordinary and 34 per cent. to additional—rates, only 2 per cent. less in each case than Mr. Westland at page 86 of his note, and after making all the revision of accounts necessitated by his minute examination of items finds to have been the correct rates for that year.

But at that time various large questions were agitated, and it was decided to refer the whole valuation, and the questions arising out of it to the actuary. It was suggested to Mr. Brown that the proper multiplier for future adjustment should be the average for the 5 years preceding, and it was because he objected to this, and because the Managers did hold the principle suggested in para. 85 of his third report that the proportions were afterwards fixed at 60 and 40 after much discussion.

Mr. Westland has made it very clear *now* that it is undue hoarding to fix the percentage at anything less than the multiplier which will throw on the ordinary Fund all the liabilities it can afford to pay. The Managers had accepted this in theory, but qualified it in practice, partly from over carefulness, and partly from not feeling bound by it in its full strictness. In future I think we may assume that they will feel compelled to give full effect to all the equities of the contract with Government as unreservedly as if they had been distinctly expressed.

The Managers have in their last report pledged themselves to circulate to the Service proposals on the various points raised by Mr. Westland's note.

I am not sure that in this they have not been premature. The note is a Government Office note, and Article XII. sums up the demands which Government has a right to make on the Managers, as well as certain recommendations in regard to the Fund management. Government has made no demands as yet, and however great may be the reliance, the Managers place on the accuracy of Mr. Westland's criticisms, I think no actual cession of Funds should be made without the concurrence of our actuary, Mr. Brown. It is indeed very doubtful whether Government having acquiesced in the Fund proceedings and accepted our annual accounts can properly make any demands of this kind. But as the year 1872-73 is a quinquennial one, I must ask for orders as to the way in which the valuation is to be carried out, and we cannot ignore Mr. Westland's note altogether, merely because, Government has taken no steps. Whether we

need circulate proposals to the Service is another matter. I think the only matter to refer to them is disposal of surplus.

It will be convenient to take up Mr. Westland's conclusions one by one.

1. He says that the ordinary capital has been undercharged, and that Government should demand a transfer of Rs 3,88,252 to the additional branch, and a surrender of Rs 33,590 of the 8 per cent. capital altogether. The adjustment to have effect from 31st March 1871.

As noted above I think the Managers should demur to retrospective revision altogether if a demand is made, however they may decide to amend their ways in future. At any rate till Government makes the demand they need take no action, and then the actuary should settle the details.

2. He proposes that Government should require the proportion of charge to be laid on our Ordinary Fund to be raised from 31st March 1871 to 72 per cent. (instead of 60).

This is a point on which the Managers may themselves take action. According to the mode of valuation followed by the actuary and Mr. Monteath, the proportion of charges which the Ordinary Fund could bear for the year 1870-71 was 74 per cent., according to Mr. Westland it was 70 per cent., to which he adds 3 per cent. to obtain the full measure of the Fund's capacity owing to interest being payable half-yearly—making 72 per cent. I have got valuations for 1871-72 made on both principles, and the results are for that year—

On the Fund system 76 per cent.
On Mr. Westland's system 77 per cent.,
Or without the 3 per cent correction 75 per cent.

Mr. Monteath in his note of 3rd March suggests our considering *first* what to do with our surplus on the ground that, if we alter the proportions of charge, we shall have to alter it again if we reduce subscriptions or increase benefits. I doubt if that is a reason for not making the adjustment at once, we could do nothing final without reference to the Service, and the actuary on the point of increasing benefits or reducing subscriptions, and meantime we should be unduly hoarding at an increasing ratio. Mr. Westland agrees that we should adjust at once and readjust afterwards, when any charges are decided upon. Art. XII. § 4. but *he* wants to adjust retrospectively. I think in the absence of demands from Government, the Managers need only alter the proportions from 1st April 1873, and as the Fund will be in a better position than it was on 1st April 1872. Owing to another year's boarding I would charge 78 per cent. of the liability to ordinary provisionally raising or lowering the rate hereafter as soon as the valuations and the action to be taken as to surplus are settled.

3. Mr. Westland's third point is disposal of surplus. I leave that over for the present.

4. His fourth suggestion is that alterations should be made in the mode of crediting income. The chief changes are these—

a. That fines should be credited to additional only;

b. That payments in England should be credited in the same way as payments here;

c. That composition payments should be credited according to the subscriptions for which they are given.

I think his views on all these matters are sound; and would give effect to them in the accounts.

5. His next suggestion is that the principles of his memo. be followed in future in distributing charges. But this depends upon the mode of dealing with a number of items of assets and liabilities.

a. The mode of dealing with one-sixth deductions (page 28 § 4). The Fund treats these as an asset charging the full pensions. Mr. Westland would charge only net pensions and ignore the deductions. I think he is wrong. He would be right if the Fund were never to be called on to increase the reduced pensions, but the deductions go to credit of the incumbent to make up the deficit in ⅓ values, and I think as the contingent liability of the full pension lies on us, we are right in providing for it, and in treating the deduction as an asset.

(*b*) The corrections of submission for monthly payments (page 32, §. 15).

(*c*) The corrections for payments of interest half-yearly (page 27, §. 2).

(*d*) Corrections for exchange (page 35, §. 25. seq.)

(*e*) Corrections for Secretary of State's Bills (page 41, §. 52).

(*f*) Corrections on account of March arrear subscriptions (page 36 §. 32).

(*g*) Corrections on accounts of Agent's drawings on 31st March (page 37, §. 37.)

(*h*) Corrections for old rule, Widows' pensions (page 38, §. 38).

I am prepared to give effect to all these in the next valuations if the Managers wish it, subject to any reference made to the actuary hereafter.

6. Mr. Westland next says the value of subscription tables should be recalculated. I think in any reference to the actuary this should be a prominent point, and that all the tables should be revised.

7. Lastly, he recommends the abolition of the distinction between the appropriated and unappropriated Funds. I quite agree in this, but we are acting under the orders of Government in keeping the accounts in that shape, and are tied down by Articles XLI to XLIII of the Fund Rules. Government should pass orders upon this matter, and then we can frame a rule binding the Managers to charge to ordinary all that it will bear, on the basis of the quinquennial valuations. Government may perhaps see fit to suggest some such rule to protect itself in future.

8. To sum up then I would recommend that from 1st April we charge 78 per cent. of our liabilities to ordinary and 22 per cent. to additional, and I would propose in the quinquennial valuation to adopt all Mr. Westland's suggestions, save that of the ⅙th deduction, which I can discuss with him on his return, it being at the same time understood that the Managers do not finally adopt these corrections until they have had the advice of their actuary upon the valuations and other matters that may be submitted to him.

II.

Disposed of at a Meeting of Managers on 24th March 1873, and by circular now in press.

The second subject for discussion by the Managers is the utilisation of the Fund Surplus.

At the close of 1871-72 this amounted to from 22 to 25 lakhs. According to the mode of valuation adopted. Mr. Westland and Mr. Monteath are both in favor of leaving a margin of 5 or 6 lakhs, I believe, and disposing only of the remainder. Shall this be done by reducing ordinary or other subscriptions or by increasing benefits?

Mr. Chapman does not agree with me that there is a strong feeling abroad in the Service that benefits are already sufficient, and that our first step should be to reduce subscriptions. As to the *existence of the feeling* among a large class, I have no doubt whatever, I have heard it frequently expressed. Whether it is right to yield to it is another question? We are naturally unwilling to sacrifice

subscriptions, upon which we get privileged rates of Interest, and Mr. Monteath very correctly points out that bachelors are only paying for their future contingent families. It may fairly be doubted however whether that actuarial consideration carries much comfort to the mind of the increasing class of men, who have no present, and as far as they can see no future chance of contracting matrimony. The average subscriptions to the old Fund was about 2 per cent., and it is certainly anomelous that having raised the rate to secure benefits now amply guaranteed, we should decline even to consider whether reduction to former rates for ordinary subscriptions be not possible.

Mr. Westland points out at page 106, § 33 of his note, the way in which this might be done without the Fund losing anything of its privileged interest. I would therefore submit that the Managers should consider whether the ordinary subscription ought not to be reduced to 2 per cent. Government being asked to allow an equal amount of the additional subscriptions to be annually credited to the ordinary head.

Mr. Monteath suggests doing away with all Annuitants' subscriptions at a cost of say 7½ lakhs. That would relieve bachelors to some extent, if the greater relief is denied.

If, however, we are to go in for increased benefits, the order in which Mr. Monteath advocates those and their probable cost is as follows :—

1. To give to motherless orphans 20% increase over present rates of pension... 1½ lakhs.
2. To give donations to sons on majority of £300 each ... ... 6 lakhs.
3. To do away with ⅛th deductions... 2½ lakhs.
4. To increase daughters' marriage donations to £500 ... ... 3 lakhs.

It is for the Managers to say what they will recommend to the Service, every thing would be subject to actuarial check.

Extract from Mr. Monteath's history of the Fund.

On the 1st October 1862, effect was given by the Managers to a revised apportionment of the expenditure between the two branches of the Fund. From the commencement of the two branches in 1850, the charges for new pensions had been debited in the proportion of two-thirds to the ordinary (8 per cent.) funds, and one-third to the additional funds, the latter bearing besides the Establishment charges. According to the new apportionment, the pension charges will be debited in the proportion of 53 per cent. to the ordinary funds, and 47 per cent. to the additional funds, that being the proportion which Mr. Davies calculated in the 5th paragraph of his report for the charges of the Fund on its old basis, as compared with the additional charges under the new constitution. The effect of the former apportionment was to cause a disproportionate drain on the ordinary funds, the 8 per cent. notes of which were cancelled in payment of a portion of charges which ought properly to have been defrayed from the less valuable stock. To this practice is attributable in some measure the comparatively low state of the finance of the Ordinary Branch. The division of expenditure above described affects only the operations on the new Fund established in 1850, the liabilities of the old Fund being entirely under the Ordinary Branch.

The expenditure between the two Branches of the Fund from 1st October 1862, has been—

From 1st Oct. 1862 to 31st March 1869,			53	Ordy.	& 47	Addl.
Do. 1st Apl. 1869	do.	1870,	⅔	do.	⅓	do.
Do. 1st Apl. 1870	do	1873,	60	do.	40	do.
Do. 1st Apl. 1873	to the present		78	do.	22	do.

Letter from the Secretary, Bengal Civil Fund, to the Secretary, to the Government of India, dated 31st March 1873.

I have the honor to acknowledge the receipt of your letter of the 15th instant, and in reply I am directed to state, that the Managers have issued to the Service, at large, a circular, regarding admission of Native Civilians, to be Subscribers to the Fund.

A copy of that circular and of the proceedings of the last General Meeting of Subscribers is enclosed for the information of His Excellency the Governor-General in Council.

The half-yearly General Meeting of the Fund will be held on the 29th July next, after which a further communication will be addressed to you on this subject.

Extract from a Circular by the Secretary, to the Members of the Bengal Civil Service, dated 21st May 1873.

Since issuing their circular of the 25th March, the Managers have received from Mr. Westland a paper * containing a detailed examination of the cost of the various measures proposed for the disposal of the Fund surplus. Mr. Monteath (when giving his own rough calculations) suggested that such an examination should be made, and Mr. Westland has very kindly carried this suggestion into effect. The figures he presents show that the cost of some of the proposals had been considerably under-estimated by Mr. Monteath. The Managers cannot, however, do better than lay before the Service the following extract from Mr. Westland's letter on the subject.

The results of the examination are as follows :—

A.—That the quinquennial valuation ought to show a surplus of	Rs. 30,60,000
But the question between the Government and the Fund, as yet unsettled, affects Rs. 4,42,000, of this and at present we can regard as effective only	,, 26,18,000
or reserving a margin, say— *Disposable* surplus	,, 20,00,000

B.—The cost of the various proposals for extension of benefits is as follows :—

Benefit.†	*Cost.*
Increasing by 20 per cent. the benefits of motherless children	Rs. 3,50,000

* Copy available to Members on application at the Fund Office.

† The cost of all our present benefits measured upon a scale similar to that here adopted would be about 190 lacs. These 190 lacs are already provided for by present assets and rates of subscription ; and the surplus arises from the fact that these present assets and rates of subscription not only provide for the 190 lacs but leave 26 lacs over.

Bonus of one year's allowances to family on death of Subscriber	,, 12,14,000
If of half a year's allowances it would be	,, 6,19,000
Increasing sons' allowances after 16, from £100 to £150	,, 3,81,000
Increasing marriage donation from £300 to £500	,, 3,01,000
Abolition of the rule regarding one-sixth deductions	,, 4,05 000

C.—The cost of the various proposals for reduction of subscription remitting to

Annuitants the remaining half of their subscriptions ...	,, 12,13,000
Reduction of ½ per cent. in the ordinary subscription	,, 3,48,000
Do. ½ in the additional subscription	,, 5,50,000

It should be remembered that there are very few Members of the Service who would benefit by either these last two changes to the extent of Rs. 20 a month, and the loss of benefits accruing from it is somewhat great.

As regards bachelors' claims, I have put forth in the accompanying memorandum a calculation showing

(1.) That personally their interest are not separable from those of married men, for 85

per cent. of those who enter the Fund as bachelors marry before they die.

(2.) That their subscription during bachelorhood only is extremely valuable, since to make up for the loss of it they must either—

(a.) Consent to a levy of a new and additional subscription during married life, at a rate nearly equal to that of the subscription given up, and of course upon much larger salaries as well as during a longer time,

(b.) Or give up the benefits for their future families, which the subscription purchases.

D.—For a certain reason unnecessary here to specify, the cost of two or more of the above benefits is slightly different from the sum of the costs of the two taken separately.

My calculations give a result differing considerably from Mr. Monteath's rough estimate, part of the difference is accounted for by the consideration that Mr. Monteath shows the sum of the cost in the two branches *before* the adjustment of the ordinary branch; while my figures show the effect on the Fund as a whole, after that adjustment. It is only these latter figures that give an indication of the cost *as against the disposable surplus.* As to the rest of the difference, it results from the extreme difficulty, in such a complicated matter of making a rough estimate as Mr. Monteath did, without accurate examination. I mention this in order to show that the diversity between our estimates does not result from any dubiousness in the calculations, and in fact I feel sure that Mr. Monteath would at once accept my figures in preference to his own, because I know that in these questions his views and my own are in perfect accord, if indeed views are admissible in matters of pure calculation.

2. In order that the Service may be in a proper position to estimate the loss, which would be caused to the Fund by a reduction of the ordinary subscription, the following extracts from Mr. Westland's detailed memorandum are here reproduced :—

A reduction in this direction (that of the ordinary subscription) the Managers do not now recommend, and nothing can show better than the figure we have just put forth, what an act of folly such a reduction would be, when people talk of reductions of subscriptions, they very often think of the effect of the whole subscription upon their incomes, instead of thinking only of the effect of the part proposed for reduction; a man on Rs. 1,000 thinks he pays a high subscription when he pays Rs. 45, and would be glad to have it reduced, but is apt to forget that the question of reduction or no reduction is only a question of 5 Rupees on his whole income. Those general subscriptions, and especially the bachelors' subscriptions, are invaluable to the Fund; and if a bachelor subscribes 5 Rupees a month early in his life, it saves him a good 15 or 20 when he is older, and has a higher salary, and it is plain that the gain which would accrue to Members by the reduction of this ½ per cent. from their subscriptions is nothing compared with the enormous loss, eight and a half lacs, about a sixth part of the future assets of the Fund, which such reduction would involve to the Fund. There are many ways in which Members could be relieved if relief were desirable from such an excellent investment, without involving so great loss to the Fund; but the ordinary subscription should at all times be regarded as sacred from interference.

The opinion is not unfrequently entertained, that the ordinary subscription should be the first selected for reduction, because it is the only one to which unmarried men contribute. But it is a mistake on the part of bachelors to regard their interest as separate from that of married men. The figures show that of men between 25 and 30 years, 44 per cent. are already married, and of the rest 42 per cent. will marry before they die, leaving only 14 per cent. dying as bachelors. Eighty-six per cent. of the bachelors therefore are directly interested in the maintenance of the full 2½ per cent. ordinary subscription, and would suffer by its reduction, either in the necessary reduction of benefits which would otherwise be procurable, or in the necessity of making up, by a heavier subscription during married life, for the relief obtained from a light subscription during bachelorhood.

If I were to offer a valuation of the actual loss to the Fund, by now reducing ordinary subscriptions during bachelorhood only, I would give an inadequate notion of the loss which such a rule would involve to the Fund. The value so shown would be only the loss of the future subscriptions of this kind from present bachelors, who have been hitherto paying the subscriptions in question; but the rule would of course operate to deprive the Fund of a much larger amount from *future* entrants, because they would not be paying the abolished subscription during any part of the bachelorhood. The loss in the case of present Members only (which is all that the usual method of valuation gives) is no measure of the loss imposed upon the Fund altogether.

VALUATION FOR MARCH 31ST, 1873.

The accounts of the Fund have now been made up to the 31st March last: and the detailed calculation of the value of the various items of liabilities and of assets, has been completed in the Fund Office. I present the figures, in the appended statement, in the form which I have recommended as most convenient for the exhibition of the result; and in so presenting them, I have substituted for the value of future subscriptions as estimated in the Fund Office, the smaller value deduced from the New Valuation Tables given in my memorandum of June 23rd last.

2. The result of the Valuation is as follows:—

	Liabilities.	Assets.
Ordinary ...	14,06,829 + 1,18,20,599 m.	1,03,75,155
Additional ...	4 571 + 1.86,18,885 (1—m.)	67,60,844

m being the proportion of charge on the ordinary branch.

Equating liabilities and assets in the ordinary branch, we get—

$$m = \frac{1,03,75,155 - 14,06,829}{1,18,20,599} = 7587$$

or with the three per cent. correction required on account of the half-yearly payments of interest, (Examination IV., 2)=·78,146; which is therefore the proper proportion of charge against the ordinary Fund.

3. No variation therefore is required in the decision which the Managers announced in the following terms in the circular of March 25th last:—

"As the year 1873-74 begins a fresh quinquennial "period, they have directed that from the 1st "April the liabilities under the New Rules shall be "charged in the proportion of 78 per cent. to "ordinary capital, and 22 per cent. to additional, "subject to any adjustment, which may, on the "results of the quinquennial valuation now due, "appear to be necessary."

5. As already explained in my memorandum of May 5th, there is an unadjusted claim of Government against the Fund, which has not been considered in the deduction of the above surplus. As the Managers are aware, the effect of this claim is simply to substitute for the realized capital of the Fund, as now shewn in the accounts, the capital which would have been shewn had the accounts been brought forward on a different principle.

6. To shew the amount of the claim in question, I have brought forward the accounts, first, in Appendix B, in the manner in which the Managers actually have brought them forward; secondly in Appendix C, in the manner in which, according to the Government claim, they should have been brought forward. The proportions of charge in the latter I have altered from ·72 and ·28, the amount deduced in the "Examination" to ·715 and ·285.

4. Substituting this value of m in the equation of the additional branch, we find the result as follows:—

Liabilities ... 40,73,618 Assets ... 67,60,844

So that there is a surplus of Rs. 26,87,226 in the whole Fund,

the amounts shewn by substituting in the valuation of the ordinary branch for March 31st, 1871, on which the former were calculated, the value of subscriptions calculated on my new tables, which is Rs. 23,76,446.

7. The accounts thus revised shew a balance, on March 31st, 1873, of Rs. 67,38,902, in the ordinary, and Rs. 44,03,526, in the additional, being respectively Rs. 6,15,134 less, and Rs. 5,45,928 more, than the actual accounts.

If we reduce and increase accordingly, the assets of the two branches of the Fund, we get—

$$m = \frac{8353192}{11820599} = \cdot 70666,$$

or with the three per cent. correction $\doteq$ ·727865; and substituting in the equation of the additional Fund we find—

Liabilities ... 50,71,600. Assets ... 73,06,772.

8. So that there is a surplus, after the Government claim is fully satisfied, of Rs. 22,35,172.

9. This amount therefore, Rs. 22,35,172, is the amount which is to be regarded as the surplus of the Fund. My estimate, which was reached in an entirely different manner (the data for an actual valuation not having been at that time collected), placed it at Rs. 23,26,000, being excessive by Rs. 90,828. The difference is less than a quarter per cent., for the items estimated aggregate 200 lakhs on one side, and about 220 on other.

10. I may remark that an unexpected item has brought on the Fund a charge of about Rs. 60,000* one of those old-rule pensions, of which a few were left outstanding, and which were never entered in the valuations as "contingent," because they depended upon questions of private income, and there were difficulties in measuring the contingency. Theoretically it was wrong to omit them, but they were very few in number, and such items will hardly again appear to disturb the evenness of the calculations. Had it not been for this "unexpected item," my estimate would have been within Rs. 30,000 of the result.

11. The result therefore of the "quinquennial valuation" is that, allowing both for the diminution in value, present and prospective, of subscriptions, and for the claim which the Government may possibly make, there is a surplus in the Fund of Rs. 22,35,172.

* This being the equivalent of about 37,000 or 38,000 in the ordinary fund.

APPENDIX A.

Bengal Civil Fund.—Valuation for 31st March 1873.

LIABILITIES.	Ordinary Branch.			Additional Branch		
		Undistributed.	Distributed.		Undistributed.	Distributed.
A.—Old rule pensions	£132,705					
Deduct for first quarter, already pd.	4,570					
		128,135				
B.—New rule pensions.—Incumbent ...	429,860			£543,324·2		
Contingent actual ...	573,581·1			922,929·8		
Contingent potential	176,854			362,261·2		
Additional for sons ..	2,000			3,000		
Total ...	1,182,295·1			1,831,515·2		
C.— Deduct value of one-sixth deduction	18,186		1,164,109·1	24,373		1,807,142·2
D.—Total value in pounds sterling in England		128,135	1,164,109·1			1,807,142·2
E.—Converted into rupees in India : ...	(Mult. 9·75034)	12,49,360	1,13,50,459	(Mult. 10·0199)		1,81,07,384
F.—Add loss in Exchange, by using subscriptions		6,502			1,000	
G.—Cost of Establishment, &c. ..			1,05,532			1,41,433
H.—Amount due for adjustment with Govt. ...						
Amount of bill. Due date.						
Old Rules 80,000 + 4 p.c. 1st July 1873	81,568					
65,000 + 4 p.c. 30th Dec. 1873	63,773					
		1,45,341				
K.—New Rules 110,000 + 4 p.c. 1st July 1873	112,156			112,987		
120,000 + 4 p.c. 30th Sept. 1873	120,000			121,756		
135,000 + 4 p.c. 30th Dec. 1873	132,452			135,325		
120,000 + 4 p.c. 31st March 1874	Omitted.		3,64,608	Omitted.		
						3,70,068
Due for refund of composition ...	.....	5,626			3,751	
Total Liabilities in Rupees in India ...	.....	14,06,829	1,18,20,599		4,751	1,86,18,885

ASSETS.	Ordinary Branch.			Additional Branch.		
		Undistributed.	Distributed.		Undistributed.	Distributed.
L.—Realized, as by accounts ...	.....	73,54,036			38,57,597	
M.—Interest due, but not realized : 241,810, less ½ per cent....	.....	2,40,601				
N.—Future subscriptions ; by new tables :—						
By present Members during active service ..	22,26,206			24,78,832		
By present Members, after retirement ...	158,001			2,38,372		
By present Annuitants ...	100,782			87,666		
		24,84,989			28,04,870	
O.—Add amount due on 1st April	(252,779 ÷ 12)	21,065		(198,774 ÷ 12)	16,564	
P.—Minimum payments ...	.....	45,284				
Q.—Government donation of £2,500...	.....	2,28,100				
R.—Fines	.....				81,093	
By Amount due from Annuity Fund	.....	1,080			720	
Total Assets in Rupees in India...	.....	1,03,75,155			67,60,844	

SUMMARY.—Ordinary branch ... Liabilities 14,06,829 + 1,18,20,599 m Assets ... 1,03,75,155 | SUMMARY.—Additional branch .. Liabilities 4,571 + 1,86,18,885 (1 m) Assets ... 67,60,844

APPENDIX B.

	Actual Accounts.			
	1871-72.		1872-73.	
Opening Balance	65,67,975	34,75,712	69,81,417	36,75,088
Subscriptions	2,67,781	2,02,977	2,76,071	2,11,912
Composition Payments	11,232	7,527	3,109	1,592
Minimum Payments	19,193	.....	....	.....
Fines	2,863	1,845	2,736	1,824
Donation	25,000	... .	25,000	.....
Mutiny Pensions	26,362	17,575	23,198	15,463
Annuity Fund..	1,080	720	.....	.....
Total Receipts ...	3,53,511	2,30,444	3,30,114	2,30,791
Gain by Interest ...	5,41,379	1,77,918	5,69,581	1,87,773
Total ...	74,62,865	38,84 274	78,81,112	40,93,652
Pensions, old Rules	1.68,597	.....	1,73,138	... ..
Pensions, new Rules	2,82,597	1,88,398	3,36.740	2,24.493
Marriage Donation	.....	.. ..	3,600	2,400
Establishment, &c	3,235	2,157	6,505	4,336
Miscellaneous	27,019	18,632	7,091	4,828
Total Disbursements ...	4,81,448	2,09,187	5,27,074	2,36,057
Closing Balance	69,81,417	36,75,088	73,54,037	38,57,598
Total ...	74,62,865	80,84,275	78,81,111	40,93 655

APPENDIX C.

	Revised Accounts.			
	1871-72		1872-73.	
Opening Balance	61,46,131	38,63,963	64,72,957	41,33,939
Subscriptions	2,67,781	2,02,977	2,76.071	2,11,912
Composition Payments	11,232	7,527	3,109	1,592
Minimum Payments	19,193	.. ..	.....	.....
Fines	2,863	1,845	2,736	1,824
Donation	25,000	.....	25,000	...
Mutiny Pensions	31,415	12,522	27,643	11,018
Annuity Fund	1,287	513	.....	.....
Total Receipts ...	3,58,771	2,25.384	3,34,559	2,26,346
Gain by Interest ...	5,04,288	1,98.995	5,24,938	2,12,820
Total ...	70,09,190	42,88,342	73,32,454	45,73,105
Pensions, old Rules	1,68.597	.....	1,73,138	.....
Pensions, new Rules	3,36,762	1,34,234	4,01,282	1,59.951
Marriage Donation	. ..	.. ...	4,290	1,710
Establishment, &c.	3,855	1,537	7,751	3.090
Miscellaneous	27,019	18,632	7,091	4,828
Total Disbursements ...	5,36,233	1,54,403	5,93,552	1,69.579
Closing Balance	64,72,957	41,33,939	67,38,902	44,03,526
Total ...	70,09,190	42,88,342	73,32,454	45,73,105

Letter from the Secretary, Bengal Civil Fund, to the Secretary to the Government of India, dated 9th August 1873.

With reference to my letter No. 689 of the 31st March last, I have the honor to forward a copy of the Proceedings of the General Meeting of Subscribers, held on the 29th ultimo, for the information of His Excellency the Governor-General in Council.

The following resolution was passed with regard to the admission of native gentlemen, who were Members of the Bengal Civil Service on the 15th May 1872, and who signed the Covenant containing the engagement to subscribe to the Civil Fund.

"That the following addition be made to Article II of the Fund Rules."

"Native gentlemen who were Members of the Bengal Civil Service on the 15th May 1872, and in whose Covenants the condition of subscription to the Fund was inserted before that date, shall be admitted as Subscribers, on the condition that subscriptions shall not at any time be accepted on behalf of a wife married during the lifetime of another wife, or on behalf of a child born of a wife married during the life-time of another wife, and that such wife and such child shall receive no allowance from the Fund."

As regards the second proposal, viz. the future admission of Native Civilians to be Subscribers to the Fund, the following resolution was carried by a large majority (197 to 46).

"That the Service do express its concurrence in the views adopted by the Secretary of State, both in 1865 and 1872, as to the inapplicability of the present conditions of the Civil Fund to Native Covenanted Civilians, and the expediency of expunging from the Covenants of such Civilians the engagements relating to the Civil Fund."

The printed Proceedings show what took place at the Meeting.

Under the Rules the above resolutions need the confirmation of the Subscribers at large, and vote papers will be issued with the Proceedings. The result will be communicated hereafter.

Letter from the Secretary, Bengal Civil Fund, to the Secretary to the Government of India, dated 29th October 1873.

With reference to the concluding paragraph of letter No. 615 of the 9th August last, I am directed by the Managers of the Bengal Civil Fund, to state for the information of His Excellency the Governor-General in Council that Resolutions, to the following effect, viz. :—

1st.—"Native gentlemen who were Members of the Bengal Civil Service on the 15th May 1872, and in whose Covenants the condition of subscription to the Fund was inserted before that date, shall be admitted as Subscribers, on the condition that subscriptions shall not at any time be accepted on behalf of a wife married during the life-time of another wife, or on behalf of a child born of a wife married during the life-time of another wife, and that such wife and such child shall receive no allowance from the Fund."

2nd.—"That the Service do express its concurrence in the views adopted by the Secretary of State, both in 1865 and 1872, as to the inapplicability of the present conditions of the Civil Fund to Native Covenanted Civilians, and the expediency of expunging from the Covenants of such Civilians the engagements relating to the Civil Fund"—were passed at the half-yearly general meeting of Subscribers held on the 29th July 1873, and was afterwards in accordance with Article XVII. of the Rules of the Fund submitted for the confirmation of the Subscribers at large.

The votes in favor of the addition to Article II of the Rules of the words noted in the margin † are 127 and those against 21.

The votes on the Resolution :—

"That the Service do express its concurrence in the views adopted by the Secretary of State, both in 1865 and 1872, as to the inapplicability of the present conditions of the Civil Fund to Native Covenanted Civilians, and the expediency of expunging from the Covenants of such Civilians the engagements relating to the Civil Fund, are, for 128, against 22."

Messrs. Dutt, Gupta, and Banerjee, who have been admitted under the first resolution and informed of their admission. Mr. Borooah has been informed that under the second resolution he can be admitted as a Member of the Fund.

Letter from the Secretary of State for India, to the Government of India, regarding the Bombay Fund, dated 2nd July 1874.

I have considered in Council your Financial letter dated 31st October 1872, No. 415, with which you forwarded correspondence on the subject of the rate of interest allowed on the accumulations of the Provident Branch of the Bombay Civil Fund, and the Proceedings of the Trustees of the Fund.

2. In the year 1842 the Court of Directors of the East India Company objected to the payment of interest at the rate of 8 per cent. on the whole of the balances of the Provident Branch of the Fund, on the ground that "part of those subscriptions consisted of increased rates levied under the revised regulations, which they had not sanctioned, for extending advantages to widows and children;" and the Court stated, "we must, therefore, decline to allow a higher rate of interest than 4 per cent. upon the new subscriptions raised for securing to widows a pension of 300*l.* per annum without reference to property.

3. The intention of the Court of Directors appears to have been to limit the grant of 8 per cent. interest to the capital subscribed for the original objects of the Institution, which were the grant of pensions to widows and children of Subscribers left in destitute circumstances. The orders of the Court were, however, misinterpreted by the Trustees of the Civil Fund, who continued to credit to the 8 per cent. branch a subscription of 1 per cent. levied from the Members of the Service in 1830, and the subscriptions for children levied in 1837 on account of the extended benefits under the new regulations.

4. No objection had, however, been made on the part of your Government, up to the date of the present reference, to the payment of interest at 8 per cent. on the subscriptions in question.

5. You now suggest, with reference to the orders of the Court of Directors, that the scope of the privileges conceded from time to time to this Fund should be clearly defined, and that, this being done, the accounts of the Fund, reaching as far back as may be considered expedient, should be audited by a competent Actuary, who should be encouraged to offer suggestions for a settlement of the difficulties that have arisen, fair and equitable at once to the Government and to the Fund.

† Native gentlemen who were Members of the Bengal Civil Service on the 15th May 1872, and in whose Covenants the condition of Subscription to the Fund was inserted before that date, shall be admitted as Subscribers, on the condition that subscriptions shall not at any time be accepted on behalf of a wife married during the life-time of another wife, or on behalf of a child born of a wife married during the life-time of another wife, and that such wife and such child shall receive no allowance from the Fund.

6. In the letter from the Under-Secretary to your Government to the Secretary to the Government of Bombay, dated 27th October 1871, with which the paper entitled an "Examination of the Bombay Civil Fund" was forwarded for the consideration of the Trustees, a claim is preferred on the part of Government against the Fund for the surrender of a sum of Rs. 4,67,960 of its 8 per cent. capital, and for the transfer of Rs. 11,59,861 of the remainder to capital bearing interest at 4 per cent.

7. The ground of this claim is stated to be, that since the year 1856 the Trustees have been uniformly meeting from capital bearing interest at 4 per cent. part of the charges which should have fallen upon capital bearing 8 per cent. interest, and that consequently the privileged Funds have unduly accumulated, and the whole of the 4 per cent. Funds have been exhausted.

8. The Trustees of the Fund dispute the claim advanced on behalf of the Government, on the ground that the proceedings objected to were taken on the advice of Mr. Griffith Davies the Actuary; that the distribution of the charges was a matter within the competence of the Subscribers, in regard to which no stipulation was ever made by the Court of Directors; and that as regards the rate of interest allowed by Government on the balances of subscriptions, the accounts of the Fund were annually submitted to, and passed by, the Government of Bombay, with whom the responsibility rested of carrying out the orders of the Court.

9. The name of Mr. Samuel Brown was mentioned in your letter to the Government of Bombay as an actuary to whom a reference might be made, and his opinion has accordingly been obtained on the subject.

10. Mr. Brown's report, which enters fully into the several questions raised in the papers, has been considered by me in Council, together with the views contained in the minutes of the Members of your Government, and in the Memoir of the Trustees of the Fund.

11. The question of the rate of interest to be allowed on the capital of the Fund is distinct from that of the claim of the Government, on account of the alleged improper distribution by the Trustees of charges between the two branches of the Fund.

12. With respect to the former, I am of opinion that it rested with the Governments in India and their officers to ascertain that the orders of the Court of Directors were duly carried into effect, and that no claim can be enforced against the Fund on account of the Government having, since the year 1843, allowed interest at the rate of 8 per cent. on certain subscriptions, on which it appears to have been the intention of the Court of Directors to allow interest only at the rate of 4 per cent.

13. In regard to the alleged irregular Proceedings of the Trustees as to the distribution of the charges, Mr. Brown remarks as follows :—

"The action of the Trustees has been sometimes in favor of the Government, sometimes in favor of the Fund, but with no precise principles to regulate the proportion of charges to be carried to each branch, in accordance with the orginally expressed intentions of the Court of Directors.

"The Trustees were not aware that the extention of the benefits proposed doubled by estimate the whole of the liabilities at once, and the capital ought either to have been divided so as to bear part of the burden in each branch, or the subscriptions to the 4 per cent. branch ought to have been such as to leave an annual surplus which would rapidly equal the value of the new liabilities by the funds in hand, and the estimated value of the new subscription income.

"So far was this from being the case, that the defence of the Trustees, that if they had used from the beginning the 4 per cent. subscriptions to cover the newly incurred

liabilities, there never would have been any balances in the 4 per cent. Fund, and none at the present time is strictly true. I have taken the pains to work out the results by re-adjusting the accounts from 1843 to 1869 in the same manner as is done in the examination Tables. The payments for widows' and children's pensions were carried, one-half to the eight per cent. branch and one-half to the 4 per cent. branch, and the subscriptions respectively as they are stated in the accounts. The excess payments in the 4 per cent. branch were made out of the 8 per cent Fund, yet the result was to show that, whilst there was no balance in the 4 per cent. Fund, there was a very much higher balance in 1869 than that on which the Government were paying 8 per cent. interest at that time."

14. Mr. Brown observes that we have now no means of obtaining facts to show the proportion in which the benefits of the Fund would be reduced if the rule for exclusion or reduction on account of the possession of property were still in force, and he considers that the fairest estimate which can now be made as to this proportion is to assume that one-half the values of widows' and children's claims represents the benefits allowed under the original regulations, and the other half the extended benefits allowed by the new regulations.

15. He states that the most serious objection to opening up the accounts for re-adjustment as far back as 1843 is, that neither then nor at any previous period was a proper valuation made to show the actual position of the Fund, and that a re-adjustment would serve only partially to rectify the accounts in favor of Government, whilst it would leave the claims of Members and their families, who have died in the meantime, wholly unadjusted.

16. He has therefore made a valuation for 1st April 1869, for which the full details were supplied to him from the Fund Office, which he states is the first valuation based on tables in which all the items of liabilities have been brought to account, and in which the 4 per cent. liabilities and assets have been distinguished; and he is of opinion that the best compromise would be to make this valuation the basis of a settlement and of a division of the Funds, instead of attempting an adjustment of accounts which would not do strict justice either to the Government or the Fund.

17. This valuation for 1st April 1869 shows a surplus of Rs. 24,22,613 in the 8 per cent. branch, and a deficit of Rs. 16,57,938 in the 4 per cent. branch; and Mr. Brown justly observes that this is a state of things never contemplated by the Court of Directors in granting a privileged rate of interest of 8 per cent. on the balance of subscription for carrying out the original objects of the Fund, and that there ought to have been a considerable Fund to meet the liabilities in the 4 per cent branch.

18. He therefore proposes that, instead of increasing the Members' subscriptions, with a view to making up the deficit of the 4 per cent. branch, that branch should be made solvent by a transfer of Rs. 16,57,938 from the surplus in the 8 per cent. branch; and he is of opinion, with reference to the nature of the compromise which he has proposed, that the surplus of Rs. 7,64,675 which will remain in the 8 per cent. branch, after such transfer has been made, should be divided in proportion to the value of the liabilities in the 8 per cent. and 4 per cent. branches respectively.

19. On a consideration of all the circumstances, I am disposed to adopt Mr. Brown's valuation as the basis of a compromise between the Government and the Fund, and to agree to the proposals which he has made for dividing the capital between the two branches on the 1st April 1860.

20. The result of the adjustment is, that on that date the capital in the 8 per cent. branch will be Rs. 35,69,555, and that in the 4 per cent.

branch Rs. 19,52,550, instead of Rs. 47,57,279 in the 8 per cent. branch and Rs. 151 in the 4 per cent. branch, as shewn in the accounts of the Fund on the same date.

21. I also think it would be well to act upon his proposal, that no addition should be made to the benefits from 1869, but that the accounts should be re-adjusted from that date, as suggested in paragraph 320 of his report, and that a new valuation should be made from 1st April 1874 by the tables used for the valuation of 1869. If any surplus exists after the valuation for the current year, it would be allotted either by increasing the benefits, or reducing the subscriptions.

22. Quinquennial valuations and adjustments must also be made in future, so as to avoid the accumulation of surplus in either branch of the Fund.

23. The only alteration which I have decided to make, after the valuation for 1st April 1874 has been made, and the surplus, if any distributed, is to limit the interest on the subscriptions for children in future to 4 per cent., the liabilities incumbent and contingent on account of children's pensions being valued, one-half at 8 and the other half at 4 per cent., in the same manner as the pensions for widows.

24. Copies of Mr. Brown's report will be forwarded, when printed, for your information and that of the Trustees of the Fund, whose attention should be drawn to the remarks of Mr. Brown respecting the valuation to be made for 1st April 1874.

Letter from R. B. Chapman, Esq., Secretary to the Government of India, Financial Department, to the Secretary to the Bengal Civil Fund, No. 4377, dated Simla 28th October 1875.

The attention of the Government of India has for some time past been directed to the financial condition of the several Covenanted Civil Service Family Pension Funds, and in 1872 the Government caused an examination of the Bengal Civil Fund to be made by Mr. Westland, an officer of the Financial Department.

2. I am now directed by the Government of India to forward to you, for the information of the Managers of the Bengal Civil Fund, copy of a despatch,* No. 391, dated this day, with which this examination has been transmitted to Her Majesty's Secretary of State for India in Council.

3. Mr. Westland's examination was made upon the assumption that the Government has undertaken during pleasure to subsidise certain definite assets, and that the assets thus subsidised might be used by the Service to the utmost of their capacity, but might not be hoarded. This is the theory upon which the Managers have themselves acted for many years, rejecting the converse theory for which their Actuary, Mr. Samuel Brown, persistently contended.

4. In referring last year for actuarial examination certain questions about the condition of the Bombay Civil Fund, the Secretary of State definitely laid down this converse theory, and in effect decided that the Government subsidy during pleasure must be measured by the original benefits of the Fund—in other words, by the liabilities of the Fund as originally constituted. The Secretary of State has, in short, decided that the Government subsidy attaches to assets enough to cover these original liabilities and to nothing more. The Government of India has fully acquiesced in this decision, and the principle of it must be held to be definitely established.

5. The adoption of this principle makes it necessary to modify many of the calculations con-

* With enclosures.

tained in Mr. Westland's examination; but this document is not the less a paper of the highest importance.

6. Another principle upon which the Government of India have insisted is, that donation-exchange should not in future be allowed on the remittance of Funds not aided by donation-interest. It appears to the Government of India that this principle is established clearly by the history of the privileges of these Funds, and that it cannot be admitted that any prescription arising from long usage to the contrary can rebut the just claims of the State in this respect. The Services should, in the opinion of the Government, be well satisfied that no retrospective adjustment of the account is proposed in regard to the donation-exchange.

7. The Government of India do not doubt that the Members of the Bengal Civil Service will co-operate cordially with the Government in rectifying for the future such irregularities as, owing to an imperfect understanding by all concerned of the complex problems involved in the constitution of these Funds, have entered into the relations between the State and the Service in respect to them; and that the settlement proposed by the Government of India will appear to the Service to be just and liberal.

8. The Government of India freely acknowledge that the management of the Bengal Civil Fund has always been characterised by an honorable desire to do justice to the State, which has so liberally aided the Fund, and that in the investigations which have now been made into the Bengal Civil Fund, and the like Funds of the other Services, the Government is largely indebted to the intelligence and ability brought to bear by Mr. Monteath and others on the solution of the many difficult questions which have arisen in the management of the Bengal Civil Fund.

9. At the same time it will only be in accordance with the integrity and high principle which have guided the Managers of the Bengal Fund if they admit, that, while the Government and its officers are responsible for any failure in the audit and check of the claims made from time to time on behalf of the Fund upon the public revenues, the Managers for the Bengal Civil Service on their part have been throughout *primâ facie* answerable that these claims were in every respect justified by proper authority; and that now that it is ascertained that this authority has been, through misconception on all sides, largely exceeded, it is the duty of the Service to unite with the Government in promoting such re-adjustments as justice to the revenues of India requires.

From the Government of India, to Her Majesty's Secretary of State for India, No. 391, dated Simla, 28th October 1875.

In continuation of our despatches No. 3651 dated 7th October, and No. 387, dated this day, we have the honor to present, for the consideration of Her Majesty's Government, an examination made by Mr. Westland, an officer of our Financial Department, of the accounts of the Bengal Civil Fund, which we shall hereinafter quote as "the examination,"* and to offer the following

* The theory upon which this examination was made, and upon which the Bengal Civil Fund has for some years been managed, is that the Government donations were granted in subsidy of certain assets which might be used as the Service thought fit. It has now been decided by the Secretary of State, with the full concurrence of the Government of India, that the Government donations are to be measured, not by the assets, but by the liabilities of the Civil Funds. The Government has, in short, agreed to subsidise assets enough to cover certain authorised liabilities and no more. All calculations involving the application of the converse theory, now over-ruled, must consequently be modified.

observations upon the financial condition of the Bengal Civil Fund. This examination is dated March 1872; but we thought it better not to forward it to your Lordship until we had become acquainted with the views of Her Majesty's Government upon the examination of the Bombay Civil Fund, and completed our representations in the case of this Fund.

2. The Bengal Civil Fund was founded in 1804. Like the Civil Funds of Madras and Bombay, its original objects were of a purely charitable character, its primary purpose being to systematise and regulate the charitable contributions which the Members of the Service were being continually called upon to make towards the support of the destitute families of deceased officers of the Service.

3. Like the other Funds, too, the Bengal Civil Fund was, at first, intended to provide for absentee allowances to Subscribers as well as for pensions to their widows and fatherless children. To these combined objects the Court of Directors agreed, in 1808, to contribute £2,500 a year. In 1824 the Government granted furlough allowances to their Covenanted Civil Servants from the public revenues, and from this date the objects of the Bengal Civil Fund have been confined to the provision of pensions for the families of deceased Members of the Bengal Civil Service.

4. In 1829, by a despatch quoted in paragraph 11 of the Examination, the Court of Directors granted to the Fund "the difference between the interest upon its capital at the rate borne by our securities and 8 per cent."—in other words, the Court granted, but in a peculiar shape, interest on the capital at 8 per cent.

5. The exact date on which the Court of Directors granted to the Fund privileges of exchange is not known; but these privileges appear, from paragraph 13 of the examination, to have been enjoyed before 1825. These privileges, including privileged interest for the time (one year) allowed for repayment in India of the advances made by the Court of Directors in England, were equal, at first, to a fixed rate of exchange of 24·375*d.* the Rupee, being much lower than the rate (similarly calculated) allowed to the other Funds, *viz.*, 27·81*d.* the Rupee.

6. In 1832 the Court of Directors became alarmed at the increasing demands made upon the treasury on account of the privileges granted to the several Service Funds, and the Managers of the Bengal Civil Fund were warned, with the rest, that the Court could not engage to continue to an indefinite extent, either as to time or amount, a mode of assistance which had so far exceeded what had been contemplated when the Court first granted it. With the evident intention of marking the gratuitous and voluntary character of the concessions, the Court had, in 1828, insisted upon the interest in excess of the market-rate being shown in the accounts as a yearly *donation*, and now, they prescribed a like course in regard to the privileges of exchange. From the 4th July 1832, the date of the despatch No. 46 of 1832, the sums required for the use of the several Funds in England were to be advanced from the India Office, repayable in India, at twelve months' date, at 1*s.* 11*d.* the Sicca Rupee = 21·5625*d*† the Government Rupee; and the difference between this rate and the rates at that time enjoyed by the several Funds was to be annually credited to the Funds as a further *donation* from the Company.

† Adding donation-interest for the year's law, this rate becomes 22·0625*d.* the Government Rupee, so that the donation-exchange was 2·3125*d.* the Rupee to the Bengal Fund, and 5·7475*d.* the Rupee to the other two Funds.

7. Till 1849 the Bengal Civil Fund lived from hand to mouth. No valuations have been made of the assets and liabilities of the Fund during this time; but it is certain that the Fund was, throughout this period, hopelessly insolvent. In 1849 the Members of the Bengal Service determined upon a great effort to place their Fund in a condition of solvency, and to secure for their widows and fatherless children the benefits of the Fund, unrestricted by any condition as to the property of which they might be possessed—an advantage which the Bombay Service had then already enjoyed for 20 years. The calculations and arguments upon which the reconstitution of the Fund was based were unscientific and incomplete; but the property restriction was removed, with effect from the 1st January 1850, the subscriptions of the Service being very largely increased in order to provide therefor.

8. The Court of Directors considered the principle of this change unobjectionable, but, in accordance with the policy which they had consistently adopted in dealing with the other two Funds, declined to be a party to the re-organisation until they were assured by competent authority that there would be no risk of interference with existing engagements and obligations. For some years the Court retained the opinion that the measures taken by the Bengal Service, severe as they were, were insufficient to secure solvency, and pressed for additional subscriptions: it was not till 1858 that, still not without reserve, they suspended this demand.

9. There can be no doubt now that the severe measures taken in 1849 were, as the Court of Directors feared, quite insufficient to secure both the objects which the Service had in view, *viz.*, to fill the immense deficit which was inherited from past mismanagement, and at the same time to extend the benefits of the Fund according to the legitimate desires of the Members. The way to make a complete valuation of the assets and liabilities of the Fund had not, at that time, been discovered; and the calculations presented to the Service by the Actuaries were so erroneous, that we cannot be surprised that they were rejected. Nevertheless, it appears now, clearly, that the advice of the Actuaries was essentially right, and that large additions to the assets of the reconstituted Fund were required to make them equal to its liabilities. The grounds upon which the Managers resisted the advice of the Actuaries, and satisfied themselves that the Fund was, at that time, in a prosperous condition were quite illusory: it cannot, now, be doubted that they deceived themselves by not taking into account all the liabilities of the Fund.

10. At the same time it should be clearly understood that the Members of the Bengal Civil Service since 1850, have contributed to the Fund very much more than enough, with the privileges belonging to their contributions, to cover the liabilities which they have themselves added to the Fund. The insolvency of the Fund in 1850, was due to insufficient contributions and mismanagement in the past; and the Members of the Service in 1850, especially the junior Members, did, though perhaps without fully understanding it, heavily tax themselves to fill a deficit in the creation of which they had had no share whatever. This heavy taxation still continues. We know no reasons based upon abstract justice why this obligation should have been undertaken; and in dealing with the Bengal Civil Fund, we think that it should be remembered that much embarrassment to the Government and much suffering to the families of its deceased officers were probably prevented by the course—we think we may call

it the generous course—which the Members of the Bengal Service adopted in 1850.

11. In 1862 the Secretary of State, in replying to a representation made to him by the Members of the Covenanted Civil Service of the three Presidencies upon the subject of certain apprehended changes in the constitution of the Services offered, if the Subscribers preferred it, to grant, in lieu of the indirect aid from Government heretofore enjoyed by them, an annual sum equal to the average of the Government donations during the past five years, the future interest on the balances of the Funds being, in this case, fixed at 5 per cent., and the remittance of the sums required by the Funds in England being made at the rate of exchange fixed annually for the adjustment of transactions with the British Exchequer.

12. This offer and its results as affecting the Bengal Civil Fund are elaborately discussed in Article V of the Examination, in which it is clearly shown that its acceptance, even supposing that the Secretary of State intended to offer 5 per cent. upon unprivileged, as well as the privileged, balances, which may perhaps be doubted, would have involved heavy loss to the Bengal Service. We have not enquired into the action taken by the Trustees of the other two Funds upon the receipt of this offer; but it is probably well for the Government that they did not accept it.

13. So far as the Bengal Service were concerned, the correspondence ended only in the gratuitous concession to them, by the Secretary of State's Financial despatch No. 168, dated 8th May 1867, of the privileged rate of 5 per cent. on their unprivileged Funds, and of an increased rate of donation-interest.* The proceedings of the Managers and of the Actuary, and, we may, perhaps, add, of the Government, manifest no complete understanding of the conditions of the problems with which they are dealing; and there seems reason to fear that the concessions finally made to the Fund were granted without full appreciation of their importance.

14. If however, there was any oversight on the part of Her Majesty's Government in this matter, it is some satisfaction to know that, but for the concession of this 5 per cent. rate of interest, the Bengal Fund must have remained, even now, notwithstanding all the sacrifices made by the Members of the Service since 1850, utterly insolvent; and as to the increase of donation-exchange, it may be said that there appears no good reason why the highly favorable rate, so long allowed to the other two Funds, should have been withheld from the Bengal Fund. Had this Fund been found not really to have required these concessions, we should have greatly regretted them. As it is, we are inclined to think, that although they may have been given without complete regard to the limited obligations of the State to the Fund, yet, eventually, equal concessions would have been necessary, or at least, upon a consideration of the whole history of the Fund, not inequitable.

15. The same considerations reconcile us to the transfer of Rs. 8,95,744 from the unprivileged to the privileged Fund with effect from the 30th April 1862, which is described and criticised in the VIth Article of the Examination. The demand for this transfer was not made upon any well-founded principle, and the amount, the transfer of which was sought, represented no complete liability, but only the excess of one part of the liabilities of the Fund on the 1st January 1850 over one part of

* The rate of exchange, including donation-interest for the one year allowed for payment, was raised to 25*d.* the rupee, or by about 1*d* in the Rupee The donation exchange became 2 9375*d* in the rupee

the assets. The burden assumed by the then existing Members of the Service, and especially the younger ones, on the 1st January 1850, for themselves and their successors, in respect to the families of those who had preceded them, far exceeded the sum of which they sought the transfer; and the whole transaction shows, again, how little the real character of the Funds and of the problems arising in the course of their management was, at that time, understood, either by the Service or the Government, or even by the Actuary. At the same time we have not much doubt that rough justice was done by the transfer.

16. For the proper management of any Mutual Insurance Fund, such as the Indian Covenanted Civil Service Family Pension Funds, it is absolutely necessary to maintain the Fund exactly in equilibrium; that is to say, to take care that the assets are always, as nearly as possible, exactly equal to the liabilities. If at any time the assets are left in excess of the liabilities, injustice is done to the existing Members of such a Fund; if the liabilities are in excess of the assets, injustice is done to their successors.

17. This obligation of maintaining an equilibrium of assets and liabilities gains additional force, when, as is the case with the privileged branches of the Indian Covenanted Civil Service Family Pension Funds, a Fund is aided by the grant of privileges proportioned to the assets of the Fund. For, in such a case, if the assets are allowed to remain in excess of the liabilities, injustice is done, not only to the existing Members of the Fund, but to the grantors of the privilege; and if the liabilities are allowed to remain in excess of the assets, a double injustice is inflicted upon succeeding Members; for the Fund loses a portion of the privileges to which it is entitled, and this loss, with the deficit produced by the insufficiency of the assets of existing Members is left to fall eventually upon their successors.

18. The assets of the privileged branch of the Bombay Civil Fund were found, upon a recent investigation, greatly to exceed its liabilities; and it became necessary for the Government to decide whether it should withhold privileges from the surplus assets, or insist upon the grant of an equivalent increase of benefits. Very properly, as it seems to us, your Lordship abstained from adopting the former course, and resolved to withhold the privileges from all assets in excess of what was necessary to secure the benefits in support of which the privileges had been granted. The question, therefore, referred to the Actuary was only, what share of the liabilities of the Bombay Civil Fund represented the benefits which the Government had undertaken to support.

19. Mr. Brown gave an opinion that the Government had undertaken to subsidise funds for the supply of only half the benefits now provided from the Bombay Fund. But reasons have been given for thinking that the information upon which Mr. Brown based this opinion may have been incomplete and inaccurate, and we have provisionally assumed, in our despatches upon the Bombay and Madras Funds, that the Government will accept 60 per cent. of the existing benefits of each of these Funds as the measure of the benefits which the Government may be held originally to have agreed, during their pleasure, to subsidise.

20. The calculations made, from time to time, in respect to the Bengal Fund have yielded the following results: Mr. Davies' calculation for 1850 gave ·53 as the proportion of the restricted to the unrestricted benefits; Mr. Brown calculated the proportions in 1863 at ·59, and in 1865 at ·55. The benefits provided by the Bengal Fund are less

valuable than those from either of the other Funds,* and there is no *primâ facie* reason for supposing that, on an average, the circumstances of Members of the Bengal Service and their families differ from those of the Members of the other Funds and their families. Certainly, therefore, the proportion of the unrestricted benefits from the Bengal Fund to which privileges appertain should not be less than the proportion of the benefits from the other Funds; and in this despatch, we shall assume, provisionally and subject to your Lordship's revision, as in the case of the other Funds, ·60 as the proportion of all the benefits from the Bengal Fund which the Government has, during pleasure, agreed to subsidise.

21. We shall also act upon the principle upon which we have earnestly insisted in our despatches upon the other two Funds, that the unprivileged Funds are no more entitled to donation-exchange than to donation-interest. The Government have never accepted any responsibilities at all in respect to such Funds as have been raised for the provision of additional benefits which the Government has consistently refused to subsidise in any way whatever. It is true that all three Services have, through misconception on their own part and on the part of the auditors and of the Government, been allowed hitherto to usurp donation-exchange upon their unprivileged Funds; but there is no authority whatever for the practice, and it should, for the future, absolutely cease.

22. We shall, therefore, use, for the valuations of the unprivileged liabilities of the Bengal Civil Fund, the same rate (1*s.* 9½*d.*) which we have used in the valuations of the other Funds as the highest estimate that can be safely made now of the permanent equivalent of a Rupee in sterling money.

23. Framed, then, upon exactly the same principles as have been used in the calculations of the several valuations which we have made of the assets and liabilities of the other two Funds, the following are the valuations of the assets and liabilities of the Bengal Fund (*see for details, enclosure No. 2*):—

I.—Valuation, 30th April 1863,—

	8 per cent.	4 per cent.
Assets ...	... 71,25,000	48,60,000
Liabilities ...	... 69,83,000	68,31,000
Surplus ...	1,42,000 Deficit ...	19,71,000
DEDUCT—Surplus 8 per cent. funds ...		1,42,000
Net Deficit		18,29,000

II.—Valuation, 30th April 1865,—

	8 per cent. Rs.	4 per cent. Rs.
Assets ...	78,02,000	53,43,000
Liabilities ...	73,98,000	74,09,000
Surplus	4,04,000 Deficit	20,66,000
DEDUCT—Surplus 8 per cent. Fund		4,04,000
Net Deficit		16,62,000

III.—Valuation, 31st March 1868,†—

	8 per cent. Rs.	5 per cent. Rs.
Assets ..	83,94,000	55,31,000
Liabilities ...	77,01,000	73,04,000
Surplus	6,93,000 Deficit	17,73,000
DEDUCT—Surplus 8 per cent. Fund		6,93,000
Net Deficit		10,80,000

* If the value of the benefits from the Bengal Fund is 1,000, the value of the benefits from the Madras Fund is 1,154, and the value of the benefits from the Bombay Fund, at least 1,208.

† In this and the later valuations we have used a new table of valuations of subscriptions constructed by Mr Westland in 1873 (Enclosure No. 3).

IV.—Valuation, 31st March 1869 (Estimate)—(See Enclosure No. 4),—

	8 per cent. Rs.		5 per cent. Rs.
Assets .	87,53,000		57,11,000
Liabilities ...	78,32,000		75,02,000
Surplus ...	9,21,000	Deficit	.. 17,91,000
DEDUCT—Surplus 8 per cent. Fund			... 9,21,000
		Net Deficit	.. 8,70,000

V.—Valuation, 31st March 1871,—

	8 per cent. Rs.		5 per cent. Rs.
Assets ..	94,44,429		61,59,914
Liabilities ..	79,99,500		78,55,682
Surplus ...	14,44,929	Deficit	... 16,95,768
DEDUCT—Surplus 8 per cent. Fund			... 14,44,929
		Net Deficit	... 2,50,839

VI.—Valuation, 31st March 1873,—

	8 per cent. Rs.		4 per cent. Rs.
Assets .	1,03,75,155		67,60,844
Liabilities ...	84,99,189		83,58,141
Surplus ...	18,75,966	Deficit	.. 15,97,297
DEDUCT—Deficit 4 per cent, Funds ..	15,97,297		
Net Surplus ..	2,78,669		

24. The transfer of Funds from the unprivileged to the privileged Funds *(see para. 15)* took effect from the 30th April 1862; but it was not actually carried out until the year 1866-67. The credit of the profit upon the sale of the notes, described in paragraph 13, Article VII. of the Examination, the increase to the donation-exchange, and the grant of 5 per cent. interest upon the additional Funds, as described in paragraph 79 of the Examination, causes the sudden improvement manifest upon the valuation of 1868. The improvement would have been very much larger, but for the remission in 1869, of half the Annuitants' contributions, and the grant of permanent benefits to invalid sons. For the purposes of comparison, we have included the effect of these changes in our valuation of 1868.

25. The relief to Annuitants, and the slight addition to sons' benefits, were adopted under the belief that the Fund was, at that time, in surplus —which, indeed, it was upon the method of defining the Government contributions used in the Examination, and supposing the Service to be entitled to donation-exchange on the remittance of unprivileged Funds. Retired Members of the Madras Service contribute to the assets of the Madras Fund only some unimportant donations; and, after the modification made in favor of retired Members of the Bengal Service, the contributions of a Member of this Service, from first to last, continues far in excess of those of a Member of either of the other Services.* The continuance of a pension of £100 a year to a son wholly incapacitated from earning his own livelihood was, in itself, a proper measure: and the same benefit is granted from the Madras Fund. We do not think that, under the circumstances, the proceedings of the Bengal Service in this matter in 1869, were otherwise than proper.

26. The heavy deficit of assets in the Bengal Fund till 1871 is due to causes exactly the converse

* The average yearly contributions of a Member of the Bengal Civil Service are Rs. 616; the average yearly contributions of a Member of the Bombay Civil Service are Rs. 351; and the average yearly contributions of a Member of the Madras Civil Service are only Rs. 280. In other words, for every Rs. 100 contributed by a Bengal Civil Servant, a Bombay Civil Servant contributes only Rs. 57, and a Madras Civil Servant only Rs. 45½.

of those which have produced the large surplus of assets in the Madras Fund. The Members of the Bengal Service have not contributed less, but much more, to the assets of their Fund than the Members of the other Services have contributed to the assets of their Funds; the benefits secured to the families of Members of the Bengal Service are not more, but considerably less, than those secured to the families of Members of either of the other Services. The deficit in the assets of the Fund is entirely due to the insufficiency of the contributions of the Members of the Service in early days, the consequence of which was that the balance of the Fund always remained at a low figure, and that the Fund did not obtain that amount of donation-interest from the State to which, according to the principle now admitted and applied to the cases of the other two Funds, the Bengal Service would otherwise have been legitimately entitled.

27. This has now been so far rectified, that, judged by the standard now defined, and, as we think, justly defined, by your Lordship in the case of the Bombay Civil Fund, the assets upon which donation-interest has been received have, certainly since 1863, exceeded the liabilities of the Fund for the share of the unrestricted benefits to which the privileges of donation-interest and donation exchange are attached. Since that date the donation-interest has been more, and not less, than according to the definition now prescribed, the Bengal Service was entitled to receive. But the excess from which the Bengal Fund has thus benefited bears no comparison to the vast unauthorised accumulation of Funds at 8 per cent. which has so enriched the Funds of the other two Services, that, with much smaller contributions than those paid by the Members of the Bengal Service, they now enjoy much larger benefits.

28. The whole burden of the deficit due to the mismanagement of the Bengal Fund till 1850 has fallen upon the Members of the Bengal Service of 1850† and those appointed since that date. In order to extinguish this deficit, additional taxation was freely accepted by the Service, and has been uncomplainingly borne; but, heavy as these contributions are, they would evidently have been insufficient to produce equilibrium, but for the special assistance granted by Sir Charles Wood in 1862, in the shape of an addition to the privileged capital, and by Sir Stafford Northcote in 1867, in the shape of 5 per cent. interest on the unprivileged Funds and an addition to the rate of donation-exchange.

29. There may be reason to think that these considerable concessions were made without a full appreciation of the circumstances of the Fund, or of the limited obligations in respect thereto, accepted by the Government. However this may be, notwithstanding this substantial assistance, the continued heavy contributions of the Members, the unauthorised appropriation of donation-exchange on the remittance of the unprivileged Funds, and, according to the definition now settled, the equally unauthorised appropriation of considerable sums of donation-interest, the Fund had not, even on the the 31st March 1871, completely emerged from a condition of insolvency.

30. In our despatch about the Madras Fund we have said that we must regard with dissatisfaction any solution of the questions arising in regard to this Fund which should leave any surplus in the Fund, so as to admit of any disturbance of the *status quo* as to contributions by the Members and benefits from the Fund. We desire to say now, conversely, in regard to the Bengal Fund, that we

† Of course, the younger the Members of 1850 were, the greater their individual share of the burden.

should regret any decision of the questions submitted in this despatch for the consideration of Her Majesty's Government which should necessitate either any increase of the comparatively heavy burdens already borne by the Members of the Bengal Civil Service in respect to their Civil Fund, or any deduction of the very moderate benefits provided therefrom for the families of our officers.

31. The comparatively unfavorable condition of the Bengal Fund is not, as we have observed, due to lower contributions by the Members of the Bengal Service than those of the Members of the other Services, or to larger benefits provided for the families of Members of the Bengal Civil Service; but exclusively to the fact that proportionately less help has been received from the Government by the Bengal Service than by the Service of the other two Presidencies.

32. Even if the *status quo* of the Bengal Fund be maintained as regards the contributions of the Members and the benefits from the Fund, the Members of the Bengal Civil Service will still be contributing much more than the Members of the other Services for much smaller benefits to their families. The comparatively heavy penalty thus borne by the present generation of Bengal officers is due, partly to the mismanagement of the Fund, by a past generation, and partly to the Managers of the Bengal Fund having recognised earlier, and more completely, than the Trustees of the other Funds their equitable obligations to the Government, which has sustained all these Funds with such liberal aid. It deserves prominent notice that the Managers of the Bengal Fund deliberately increased the expenditure of privileged Funds in order to avoid what they considered to be an undue increase of the donation from the Government.

33. We have, therefore, to recommend that the adjustment of the accounts between the Government and the Bengal Civil Fund be made with effect only from such date (say 1871) that the Fund may be left in equilibrium, or approaching equilibrium, and that no increased contributions may be required from the present Members of the Bengal Service in order to maintain the benefits now provided from the Fund for their families.

34. We have added to each of our despatches about the Bombay and Madras Funds a paragraph guarding the right of the Government to cease holding the unprivileged Funds even at 4 per cent. interest, if the state of the money market should render such a measure equitable. The concession by Sir Stafford Northcote, in 1867, of the privileged rate of 5 per cent. interest on the unprivileged Funds of the Bengal Service places the Bengal Service on a different footing from the rest in this matter. But there can be no question that it is open to the Government to re-consider this concession, the full bearing of which can hardly, we think, have been appreciated at the time.

35. If the adjustment of accounts with the Bengal Fund were deferred to such a date that, through the intermediate receipt of unintended privileges, the Fund, would as a whole, be in equilibrium, even though the rate of interest on the unprivileged Funds were reduced again to 4 per cent., we might, without injury to the Fund, insist upon the abrogation of a concession which was, perhaps, granted inconsiderately, which the other Funds do not enjoy, and which is of an inconvenient character. We estimate that such an equilibrium will be attained, or will be secure, at no distant future date, by the 31st March 1876 (*see enclosure No. 5*) and we recommend, therefore, that, with a view to placing all the Funds in the same clear position, as regards their unprivileged Funds, the settlement of the account with the Bengal Service be deferred to this

date, the interest on the unprivileged Funds being, thenceforward, reduced to 4 per cent.

36. In such case the Bengal Service would be liable, with the others, to have the interest on their unprivileged Funds reduced, if the market rate of interest falls, and if they then still prefer to leave them with the Government: otherwise, and if, for the present, the rate of 5 per cent. be continued to the unprivileged Funds of the Bengal Service, then the adjustment of accounts with the Service must be made, as recommended in the 33rd paragraph, earlier, and the Bengal Service will be liable, meanwhile, to a reduction in the rate of interest on their unprivileged Funds, from time to time, corresponding with any reduction that may be made in the interest on the unprivileged Funds of the other Services. So long as the privileged rate granted in 1867 on the unprivileged portion of the Bengal Fund is maintained, the rate of interest thereon might be, as it is now, just one per cent. in excess of the rate allowed, from time to time, on the unprivileged portion of the other two Funds.

37. We shall communicate a copy of this despatch to the Managers of the Bengal Civil Fund.

Schedule of papers annexed to this Despatch.

1. Examination of the Bengal Civil Fund by Mr. James Westland, dated March 1872.
2. Successive valuations of the Bengal Civil Fund. Mr. Westland's memorandum, dated 11th October 1875.
3. Examination of value of subscriptions to Bengal Civil Fund by Mr. Westland, dated 23rd June 1873.
4. Valuation of Assets and Liabilities of the Bengal Fund on the 1st April 1869. Memorandum by Mr. Westland, dated September 24th, 1875.
5. Effect of reduction of interest on unprivileged part of the Bengal Civil Fund. Memorandum by Mr. Westland, dated 11th October 1875.

Letter from W. H. Verner, Esq., Officiating Secretary, Bengal Civil Fund, to the Secretary to the Government of India, Financial Department, dated 4th January 1876

I am directed by the Managers of the Bengal Civil Fund to acknowledge the receipt of your letter No. 4377, dated the 28th October 1875, forwarding copy of a despatch, No. 391 of the same date, to Her Majesty's Secretary of State for India. Having regard to the confidence expressed in them by the 8th and 9th paragraphs of your letter, the Managers are not free from surprise that measures of the important character set forth in the despatch to the Secretary of State should have been definitely recommended without any opportunity being given them to express their views. It would now be premature to state how far the Managers differ from the opinions expressed in the despatch, for the issues there raised will require a careful and sustained enquiry; but the Managers have already seen reason to distrust the accuracy of some of the facts on which the recommendations are grounded. The Managers direct me to express the hope that, under these circumstances, the Secretary of State for India may be requested to defer his reply so as to allow them to forward to him an expression of their views.

Circulated to the Managers for confirmation. A copy also will be sent to Simla for information and comment.

At a meeting of Managers of the Bengal Civil Fund, held on the 8th April 1870; present:—

MR. V. H. SCHALCH.	MR. E. F. HARRISON.
„ SANDEMAN.	„ BEVERLEY.
HON. A. EDEN.	„ SOUTTAR.

1. The Third Report of the actuary was laid on the table and discussed.

2. A letter from the Home Committee, dated 2nd March 1870 relating to the above, was read.

3. The Managers note that it has been already decided to maintain the existing rates of subscription, and to adopt the mode of charging the liabilities advocated by Mr. Monteath and described in para. 78 of the report. They agree, however, with the actuary that there are objections to the plan of adjusting the ratio of liabilities to be charged to the ordinary head of account in accordance with the average value of x for 5 years; and accordingly pass the following resolution :—

a. "That while maintaining the principle already adopted by the Managers that the Fund is entitled to apply its Ordinary Assets bearing 8 per cent. interest to meet any portion of its liabilities, it will for the sake of convenience be advisable to charge the liabilities in the proportion of 60 per cent. ordinary and 40 per cent. to additional as suggested in para. 86 of the actuary's Third Report.

4. The Managers then considered the question of extention of benefits, and finally resolved to recommend;

b. That the extention of benefits be limited for the present to permitting retired Members to compound for their future subscriptions at half values; and to refunding to those who have already compounded half the amount which they would have to pay, were they to be compounding now for their present liabilities; it being at the same time optional to a retired Subscriber in lieu of compounding to continue to pay subscriptions at half rates.

5. It was further resolved to propose to the Service the following addition to Rule XXX.

"Provided also that the Managers of the Fund may continue the whole or any part of his pension to any son of a deceased Subscriber, who on his attaining the age of 21 years may be proved to their satisfaction to be wholly incapacitated from gaining his livelihood; such incapacity being produced by causes beyond his control, duly certified from time to time, in such way as to the Managers may seem sufficient."

6. The above resolutions will be published and laid before the Service at the July Meeting.

At a meeting of Civil Fund Managers, held at the Treasury on Tuesday, the 31st May 1870 at 10-30 A.M; present :—

MR. V. H. SCHALCH.	MR. HARRISON.
„ SANDEMAN.	„ BEVERLEY.
HON. A. EDEN.	

Read a minute by Mr. Monteath, suggesting that before devoting the ascertained surplus in the Fund to extension of benefits, a margin of 5 per cent. on the liabilities be set aside to provide for unforeseen contingencies, &c.

The Managers are unanimously of opinion that such a provision is not required. They are not now fixing the terms of the Fund subscriptions and benefits for all time; but taking action on the quinquennial valuation, the general result of which they see no reason to distrust. They are prepared to adopt the actuary's conclusions and adhere to their former resolutions. They object particularly to the further proposal made by Mr. Monteath that the benefits should take effect mainly in a reduction in terms of composition for additional subscriptions of retired Annuitants. This is obviously unfair to Bachelor Subscribers.

At a Meeting of Managers, held on Tuesday, the 19th July 1870; present:—

MR. V. H. SCHALCH.	MR. E. F. HARRISON.
„ SANDEMAN.	„ BEVERLEY.
HON. A. EDEN.	

1. The Secretary laid before the Managers the valuations for the year 1869-70, and asked for instructions as to whether the liabilities were to be charged to ordinary and additional in the new proportion shown thereby to be necessary on Mr. Monteath's principle. Mr. Harrison strongly objected to the principle, and on his motion the Managers directed that the liabilities should continue to be debited in the proportion of 60 and 40 per cent. for the present, and that the whole question should be fully discussed in the cold weather.

2. On a review of the valuation the Managers were confirmed in their opinion that a margin of 5 per cent. on liabilities as proposed by Mr. Monteath was unnecessary.

3. The draft report to be laid before the meeting of the 29th instant was read and approved.

MINUTE BY A. M. MONTEATH, ESQ., DATED 10TH MAY 1870.

THE Minutes of a Meeting of the Managers of the Bengal Civil Fund, held in Calcutta on the 8th April 1870 with reference to the last Report of the Actuary, together with a copy of a Notice relative to the intended proposals of the Managers at next Meeting, have been sent to me for circulation among the Managers at Simla.

2. I would first observe that some errors are to be found in Mr. Brown's Report. In Abstract G. (page 24) a valuation is given on the basis of a proportion of 66 and 34 between the charges to the "ordinary" and "additional" heads. But the present value of "fines" has inadvertently been altogether left out from the assets as given in that valuation. Opposite the word "fines" there is a sum of "Rs. 82,867" which is really the value of "one-sixth deductions," and ought therefore to be entered in the blank space above, leaving the place occupied by it to be filled by the present value of "fines," *viz.*, Rs. 81,093, which, as already stated, have been entirely omitted. This error affects all the comparisons and deductions subsequently made in paragraphs 84, 170, 173, 174, and 179.

3. Again, in valuing the cost to the fund of increased donations to daughters and of donations to sons, or rather in incorporating those values in the general valuation (paragraph 170), Mr. Brown has forgotten to deduct three per cent. from the portion charged to the ordinary branch. This deduction is made in respect of all English charges of the ordinary branch, and represents the net effect of a four per cent. gain from deferred payments, less one per cent. Agency Commission.

4. Further, in estimating (paragraph 178) the cost of the final recommendation made by him, Mr. Brown, as it seems to me, under-states the cost of the one-half composition rate in respect of future Annuitants. The Valuation Tables referred to in the report have not been sent to me, so that, in this particular, I am relying simply upon the valuation as described in the text of the report. In paragraph 121 the loss to the Fund from future Annuitants compounding at one-tenth rates is represented as Rs. 2,02,860 (ordinary), and Rs. 3,11,119 (additional). I understand that these sums represent the loss by the sacrifice of nine-tenths of the subscriptions of such future

Annuitants, and if so, it is surely wrong to estimate in paragraph 178 the loss by the sacrifice of half of the subscriptions at one-half of the above-mentioned sums. The calculation should rather be as follows:—

$\frac{9}{10}$: 202,860 : : $\frac{1}{2}$: 112,700 (not 101,430 as given in paragraph 178).

$\frac{9}{10}$: 311,119 : : $\frac{1}{2}$: 172,844 (not 155,560 as given in paragraph 178).

5. I now turn to a consideration of the question of methods of valuation as discussed in Mr. Brown's report. It is perhaps wrong to call it a question of methods of valuation, for it is really one of far greater importance; it is, in fact, a question of principle affecting largely the position of the Fund.

The main question at issue is, whether the Fund is bound down to a fixed proportion of pensionary charges under the ordinary head (*i. e.*, 53 per cent. as calculated by Mr. Davies, or 60 per cent. as calculated by Mr. Brown), to which the ordinary assets (*i. e.*, eight per cent. income) must be adjusted, or whether it has a certain income on which it is privileged to receive eight per cent. interest, and to which the liabilities of the ordinary branch must be adjusted. I hold to the latter view, and my arguments on the subject, recorded in my memorandum of the 23rd December 1867, have been quoted *in extenso* in paragraph 78 of Mr. Brown's report, (pages 22 to 24). Mr. Brown adds that if my view be correct, my method of valuation "will no doubt, be adopted." The question as stated in my memorandum above referred to is one depending for its solution, not on any intricate calculation or theory, but on a simple question of fact arising out of the constitution of the Fund in 1850; and the Managers at the time distinctly accepted my view, and in the present resolution have again upheld it.

6. This being the case, I should not have thought it necessary to recur to the subject, but for the concluding part of the same resolution, in which the Managers state, that "it will, for the sake of convenience, be advisable to charge the liabilities in the proportion of 60 per cent. to ordinary, and 40 per cent. to additional as suggested in paragraph 86 of the Actuary's third report." Now, I do not object to the temporary adoption of these particular proportions; for, with the changes of income and benefits already in contemplation, they will not much differ from the proportions I would recommend on the principle argued by me; but I wish it to be clearly understood that the Managers are not hereby recognizing the principle of a fixed scale or proportion of ordinary liabilities.

7. On the one hand, the Fund is entitled to limit the charges on its privileged funds to the amount which they can bear, and it was the non-observance of this principle which well nigh brought it to ruin between 1850 and 1863. And on the other hand, the Government which pays the eight per. interest on the privileged funds is justified in requiring that these funds shall be charged with a fair proportion of liabilities. If we charge (as in the period above referred to) too large a share of liabilities to the privileged funds, we simply waste our resources, paying away the more valuable capital instead of the less valuable; and if we charge too small a share of the liabilities to the privileged funds, we commit an injustice towards Government, for we keep capital on which it pays eight per cent. interest in excess of the requirements of the liabilities apportioned to it, holding, in other words, a surplus in the ordinary branch to cover liabilities in the additional branch, *but not actually using it for that*

purpose. If we hold the privileged funds to cover a corresponding share of liabilities, and *use them for that purpose*, we act fairly by ourselves and by the Government; but if we save our privileged capital, discharging only a small proportion of the liabilities therefrom, but keeping it nevertheless at eight per cent. interest, as a sort of fictitious offset to deficiencies in the additional branch, we commit, in my opinion, an injustice towards Government, and an injustice which would (or at all events might) recoil upon our own heads in the shape of a refusal of Government to pay eight per cent. interest on any money in excess of that required to meet the limited share of liabilities which we had ourselves fixed as the proportion debitable to the ordinary branch.

8. Mr. Brown's valuation on the basis of an apportionment of only 60 per cent. of the total liabitities to the ordinary branch, has to be supplemented by a nominal apportionment of excess "ordinary" funds to cover "additional" liabilities the valuation becoming thus, as he himself admits (paragraphs 47 and 48) practically equivalent to my valuation made on the basis of an apportionment of liabilities corresponding to the assets of the "ordinary" branch. But while the valuations are practically identical, the principles involved in their application are widely different; for under the one (Mr. Brown's) the proportion of pension payments actually charged to the "ordinary" branch is fixed independently of the proportion actually covered by "ordinary" assets, and will either injure us (as it did in the period between 1850 and 1863) by causing a waste of our valuable capital, or injure the Government by the obtainment of eight per cent. interest on a capital in excess of that required to cover the apportioned share of liabilities.

9. It so happens that under the contemplated alterations of income and benefits, the proportion of actual payments proposed by Mr. Brown, corresponds very nearly to that derived from my principle: and in this view, as already stated, I do not object to the temporary adoption of the proposed proportions provided, that the grounds for doing so be clearly understood and recognized.

10. I turn now to the question of alteration of revenue and benefits which the Actuary has so clearly and ably set before us. The Managers enumerated several ways in which subscriptions might be reduced or benefits increased, and asked the Actuary to show the effect on the finances of the Fund of the several propositions. The first and principal proposition contemplated the sacrifice of nine-tenths of the subscription income derived from retired Members, including an equitable refund in the case of those who had previously compounded for such subscriptions by lump payments in advance.

11. It is clear from the Actuary's valuations that even this one measure would more than absorb the calculated surplus; and the Actuary accordingly suggests that only one-half of such income be sacrificed.

12. The Managers propose to carry out this suggestion.

13. I have already stated that there appears to be a slight error in the calculation of the effect of this modified measure, and the rectification of this error enhances its estimated cost to the Fund. Apart from this, however, I am inclined to think that the measure brings down the calculated surplus to an almost unsafe limit. Looking to the professedly approximate character of the estimate of the financial effect of the new measure, and to the fact that even the general valuation of the

liabilities and assets of the Fund is after all but an estimate,—made, it is true, on the best data available and worked out with great care, but still liable like all other estimates to error, and liable, moreover, to be affected by unforeseen changes and circumstances,—I am strongly impressed with the idea that we should be very cautious in dealing with such measures. We may probably have in future years to deal with many such questions, and I think it would be a wise thing to recognize from the first the propriety of always leaving a reasonable margin between our assets and liabilities. I think that it would be at once safe and reasonable to add to our estimate of liabilities five per cent. by way of margin, the surplus shown thereafter being regarded as all that we should feel ourselves at liberty to dispose of. If any such principle is to be recognized, now is the time to do it; for we are now, for the first time in the history of the Fund, entering upon a period in which there is every probability of questions of reduction of income and increase of benefits coming under our consideration. To me, individually, as a Member of the Fund, it would be a great satisfaction to know that the consideration of all future questions of this sort will be governed by a wise recognition of the necessity of caution and of the possibility of errors of calculation; and I hope that the Managers will agree with me in the propriety of setting a good example on this the first occasion when such questions come before us. And if we wish our example to be followed, there will be no better way of securing the object than by now determining, once for all, to include regularly in our periodical estimates of liabilities a five per cent. addition by way of margin, to recognize, in short, the possibility of errors of calculation and our duty to make a safe allowance for them.

14. Acting on this view I annex estimates for 1868, the one marked A. showing the result arrived at without allowing any margin, and the one marked AA. showing the result arrived at after providing for a five per cent. margin. Neither of these estimates include any of the contemplated alterations of income or benefits: the estimate marked A. being a mere revision of the former estimate of that year with reference to the revised rates given in the Actuary's present report (paragraphs 62 to 71) for calculating the value of management expenses, one-sixth deductions, fines, Government donation, and payments to make up Rs 25,000: and the estimate marked AA. being a repetition of the above with a five per cent. addition (by way of margin) to the liabilities.

15. The result is as follows:—

	Surplus. Rs
A. Estimate being revised valuation for 1868 ...	11,52,181
AA. Estimate being revised valuation for 1868 with five per cent. addition to liabilities by way of margin	2,27,113

16. The next step is to see the effect on these valuations of the modified measure suggested by Mr. Brown, whereby retired Members will be allowed to compound at *half rates* (instead of one-tenth rates as originally suggested by the Managers); and the result is given in valuations marked B. and BB. (annexed) as follows:—

	Surplus. Rs
B. Estimate being valuation for 1868, including the measure suggested by Mr. Brown, viz., half composition rates for retired Members	8,15,091
	Deficit. Rs
BB. Estimate being similar to the above, but with five per cent. addition to liabilities by way of margin	7,09,892

BENGAL LIBRARY

17. Arguing, as I am, for the propriety of leaving always a five per cent. margin, I cannot support the proposed introduction at present of the measure in question; and this being the case, I proceed to consider how far we can go in that direction. Mr. Brown's propostion, as already stated, contemplates the sacrifice of *half* the subscriptions from retired Members, *i. e.*, half of their *ordinary* subscriptions, and half of their *additional* subscriptions. Now, bearing in mind the fact that the sum of (say) Rs 10 paid by the Annuitant as "ordinary" subscription is the same to him as a payment of like sum in the shape of "additional" subscription, but that the former payment entitled, as it is, to eight per cent. interest, is worth much more to the Fund (its equivalent value being Rs 16), it is obviously advisable, when we cannot afford to sacrifice the whole income, to sacrifice that portion which is least valuable.

18. Instead, therefore, of remitting half of the retired subscriptions, both ordinary and additional, we could, with almost equal advantage to the Subscribers, remit nine-tenths of the additional subscriptions, retaining the whole ordinary subscriptions. This measure, while, as already stated, carrying nearly equal advantages to the retired Subscribers, would be very much less costly to the Fund; and it could be carried out by ruling that any retired Member who wishes to compound may do so, his "ordinary" composition payment being calculated at full rates, and his "additional" composition payment at one-tenth rate, the refunds to retired Members who have already compounded being regulated by the same principle.

19. I have therefore embodied this proposal in the annexed Valuations marked C. and C.C., the latter (CC.) differing from the former (C.) only in the addition of five per cent. to the liabilities by way of margin. The result is shown below—

	Surplus.
C. Estimate being valuation for 1868, including the measure proposed by me, viz., one-tenth rate of composition for the additional subscriptions of retired Members	Rs 4,73,524
	Deficit.
CC. Estimate being similar to the above, but with five per cent. addition to liabilities by way of margin	Rs 4,51,539

20. Comparing these figures with those given above for Valuations B. and BB., it will be seen that the Fund saves more than 2½ lakhs by the adoption of my proposal in preference to that made by the Actuary.

21. Feeling, as I do, the importance of retaining always a five per cent. margin, and finding that even my proposal, though less costly than the other, involves (after providing for the margin above-mentioned) a deficit of Rs. 4,51,539, I can not support its immediate introduction, but I believe that it can very soon be carried out. The valuation of April 1869 will probably show a progress over the results of 1868, not very far from sufficient to warrant the measure, and the valuation of April 1870 will probably admit of its adoption, without prejudice to the principle of allowing for a five per cent. addition to the estimate of liabilities by way of margin.

22. I think, therefore, that we ought to submit this modified proposition to the Service, on the express understanding that it is not to be carried out until the assets, after covering a five per cent addition to the estimate of liabilities, shall be sufficient to meet the cost. As already stated, I hope that the accounts of April 1870 will show this to be possible; but I would not carry it

out till this anticipation is corroborated by the valuation.

23. I do not think it necessary now to consider any of the other propositions respecting additional donations to daughters, or donations to sons; but as, in the course of my examination of the subject, I made out valuations showing the effect of each of these measures (the son's donation being taken at £300 instead of £500 as originally proposed) when super-added to the effect of the measure recommended above, I may as well place the results on record for subsequent reference if necessary. The results will be found in the annexed Valuations marked D. and DD., and E. and EE.

24. I will conclude by giving a brief abstract of the several annexed Valuations, viz. :—

	Without any addition to estimate of liabilities by way of margin.	With 5 per cent. addition to estimate of liabilities by way of margin.
	A. *Surplus* Rs.	AA. *Surplus* Rs.
(1.)—Valuation for 1868, revised in respect of the items noted in paragraphs 62 to 71 of the Actuary's Report ...	11,52,181	2,27,113
	B. *Surplus* Rs.	BB. *Deficit* Rs.
(2.)—Ditto including the measures suggested by the Actuary, viz., *half* composition rates for retired Members, ...	2,15,091	7,09,892
	C *Surplus* Rs.	CC. *Deficit* Rs.
(3)—Ditto substituting the measure suggested by me, viz., composition for retired Members at full rate for ordinary subscriptions and one-tenth rate for additional subscriptions ...	4,73,524	4,51,539
	D. *Surplus* Rs.	DD. *Deficit* Rs.
(4.)—Same as above (No. 3) adding the effect of an increase of daughters' donations from £300 to £500 ..	2,05,818	7,32,290
	E *Deficit* Rs.	EE. *Deficit* Rs.
(5.)—Same as No. 3, adding the effect of granting donations of £300 to sons ..	79,621	10,30,477

25. It is obvious that the inclusion in the estimate of a five per cent. addition to liabilities will considerably retard the realization of schemes for reduction of subscription or increase of benefits, but, in my opinion, the maintenance of such a principle is very desirable. I have had much to do with the investigations of late years into the affairs of the Fund, and I can unhesitatingly say that the result of such experience is to impress me strongly with the propriety of our exercising the greatest caution. The provision which I propose to make for errors of valuation or exceptional circumstances by a recognized addition of

five per cent. (amounting at present to upwards of nine lakhs in five per cent. money) to every estimate of liabilities, may seem large to some; but it does not seem large to me when I call to mind the enormous errors which these investigations brought to light. Taking, for instance, the single item of what is now called the liability for "future contingent pensions," and which was formerly (*i. e.*, prior to 1863) omitted altogether from the estimates, we find it estimated by Mr. Brown, in 1868, at no less than 10 lakhs in the ordinary branch, and 13¾ lakhs in the additional branch. I feel that this is a very important juncture in the history of the Fund, and that the action of the Managers of the present day in dealing with proposed measures of the kind now under notice, will have an important bearing on the action in similar cases of our successors. In my opinion it is a wise course for us to endeavour to establish the principle of allowing a five per cent. margin on the safe side in the estimate of liabilities, and I hope that the Managers generally will agree with me, and will ensure the constant recognition of that principle by having it followed in all the valuations, whether made for the special purpose of examining the effect of proposed measures, or of exhibiting periodically the state of the Fund.

Mr. Chapman's note, 20th April 1870.

So far as this very valuable minute goes I agree with every word of it. I think that the principle of Mr. Monteath's calculations of the value of X and Y should be most jealously watched and preserved. There is some risk of its being lost sight of in the wording of the Resolution of the Calcutta Managers. I think also that, as he proposes, we ought certainly *not* to dispose of any estimated surplus within a margin of five per cent. at any rate for some years to come, until we can more precisely test our estimates by experience. I would earnestly advise the adoption of the five per cent. margin.

I quite agree to the measures which he proposes as in every respect more beneficial to the fund than that originally referred to the actuary.

But I do distinctly disapprove on principle of the concession of any privilege to retired members, and indeed of using our surplus to reduce subscription or revenue at all.

As the proposition stood we were actually going to give up some of our eight per cent. claims. Mr. Monteath's modification has eliminated that objection.

But the main objection of principle remains. The characteristics of our service is that we have good incomes while we live, but cannot possibly lay by anything material for to support of our families after we die. * *

We are in various ways *almost compelled* to live expensively, and we, (while we live,) our wives and children, know little of privation or of narrow circumstances. But when we die they are, for the most part, reduced to a condition to which they are unaccustomed, and left to something like a struggle to make the two ends meet.

I should have thought it to be an axiom of the simplest and plainest character that whatever surplus the fund affords should be employed, not in relieving us of any part of a burden which one way* and another we can bear while we live, but in adding what little we can to the narrow means with which

*The burden is borne by *annuitants* who are not in this flourishing state. A. M.

we leave our families after our death. Our Fund is even as it is, an untold blessing to us all; let it be our object to increase its benefits to the utmost. For my part I would thankfully double my subscription if I could double the benefits to my family, and I record my protest, which I hope, may, in some way or other, be communicated to the member of the service before they vote against diverting one rupee of the little surplus we have from the noble object of the Fund to our own selfish and yet improfitable relief.

To the particular reduction proposed I think that there are peculiar objections as it is in favour of a limited section of subscribers only. At any rate I think that it should be most distincly provided that retiring or retired members shall not be allowed to compound at favourable rates for liabilities accruing or accrued *after their retirement.* Marriages made and children born *after* the retirement of a subscriber should be paid for at full rates whatever happens. I cannot conceive on what principle of equity, a man should be allowed to impose upon the Fund, new liabilities probably of a peculiarly heavy character, when he is no longer contributing largely in any case, without at least paying at full rates. Why should a man be allowed to marry again and commence a second or third family *at the expiration* of the service? Fines, it is true are levied, but they but very slightly help the Fund to bear such burdens. I would in any case then specially and emphatically protest against any favourable composition being allowed in respect to liabilities *accruing after retirement.*

If the service votes in opposition to this protest and in favour of the proposal of the Managers, I hope at least that it will ascent for the future to the general principle which I advocate. It is hoped and understood that it is a great object to the management to get rid of the petty contribution of retired members by single payments, owing to the great trouble that is used by their collection. This is an intelligible reason, and if the proposition be carried upon this ground alone, I should be in a measure reconciled to what I could never approve.

Mr. Monteath deserves again the warm acknowledgment of the service for this useful paper.

Circular to the Managers of the Civil Fund, dated 9th December 1871.

As the Managers desire me to make a proposition for the future establishment of the Civil Fund at once, instead of waiting for Mr. Mackenzie's return, I beg to submit for approval the following Statement:—

The annexure shews the present establishment of the Civil Annuity and Civil Funds, and the names of the incumbents, *viz.*, a total staff of Rs. 932 per mensem for Annuity Fund, including Secretary, and Rs. 342 debited to the Civil Fund for the Civil Fund only I propose.

			Salary.
Head Assistant.		J. Wetherill ..	Rs 300
2nd	ditto	E. S. Wenger ...	150
3rd	ditto	Rakhal Chunder Roy	43
4th	ditto	Grish Chunder Mookerjea..	42
5th	ditto	Denonauth Pal .	23*
		Duftry ...	8
		Head Peon ...	7
		2nd Peon ...	7
		Frash ..	5
		Sweeper ..	1
			586

* It will be seen that this is the present salary.

If to this be added Rs. 300 for the Secretary, the total cost will be Rs. 885 per mensem, as against Rs. 1274 which the two Funds together now cost in establishment.

I enclose in a second annexure the opinion of Mr. Wetherill in the new scale of establishment, which I specially invited as I think that from his experience the Managers might wish to know it. The only concession I have made to his representation is to propose Rs. 150 for Mr. Wenger instead of Rs. 125 as I at first designed. My reason for this is that Mr. Wenger was entertained about 3 years ago under an express promise of Mr. Mackenzie's (sent herewith) that his salary should rise by Rs. 25 a year to Rs. 150. We are therefore under a kind of promise to give him Rs. 150, and as he has been such a very short time in the Fund service, he could get no gratuity worth speaking of, if any at all from Government for portion of his salary drawn in the C. A. Fund.

Mr. Wetherill wishes to dispense with the services of Denonauth Pal, as however, he is a regular Clerk in the Civil Fund, I do not wish to do this by way of amalgamation, it is more equitable to take the question up separately, and let him stand or fall on his merits.

If this is approved of, I propose to furnish the Comptroller-General with the statements now submitted to the Managers, to say that Mr. Wetherill having served the Civil Annuity Fund, and thereby the Government, with marked efficiency for over 20 years, the Managers strongly recommend him for a pension of ⅓rd of his salary unless he is retained in the interests of Government on a salary not less than Rs. 100 a month, and such duties assigned to him as will not interfere with his work in the Civil Fund which will retain him on a salary of Rs. 300.

That Mr. Wenger having been but a very short time in the service of the Fund, no pension or gratuity will be asked for on his account, but the Civil Fund will retain him on the joint salary drawn by him hitherto in the Civil Annuity Fund.

That Baboo Kali Churn Roy, and Jogendronath Chatterjea being wholly on the staff of the Civil Annuity Fund, will be thrown out of employ, and the Manager strongly recommend that unless their services are retained by Government, such pensions or gratuities as they would be entitled to under the Uncovenanted Service Rules may be allowed them.

Lastly that the duftry and two peons may also receive such gratuities as their length of service would entitle them to in the Government service.

The proposal I have made for the establishment is only a temporary one, such as enables the Fund to reply to the Comptroller-General at once, were it left to me to propose a *permanent* reorganization of the Civil Fund Establishment, I would suggest the following :—

	Minimum.	Maximum.	Annual Increment.
	Rs	Rs	Rs
Head Assistant ...	250	400	15
2nd ditto ...	100	200	10
3rd ditto ...	40	60	2
4th ditto .	30	40	2
5th ditto ...	20	30	2
Duftry and two peons, etc., as at present ..	27	27	...
Total Rs ...	467	757	..

The minimum being Rs. 118 less and the maximum Rs. 172 more than the establishment, proposed for immediate adoption.

This establishment would easily fit into that just proposed by giving Grish Chunder Mookerjea a personal allowance.

The Maximum and Minimum system is, I consider, admirably adopted to a small office like ours when ordinary promotion is necessarily almost nil.

Mr. R. B. Chapman remarks—

I think that Rs. 250 quite enough for the Secretary, if indeed it be not too much.

For the rest I have no immediate objection. I shall have, however, to consult the Managers confidentially upon a question now before the Government for the closure of the Civil Fund, upon an equitable basis, under an arrangement similar to that adopted in the case of the Annuity Fund. I hope that the Managers will kindly meet informally on an early day that we may discuss the question together, and that it may be seen whether the Managers are inclined to enter upon any negotiation upon the subject. The advantage would be that *all costs* of management will cease, all risks of mistakes of management, which are very considerable, would be at an end, there would be no more individual account or accounts at all, unless a supplementary fund were kept up. The Government would guarantee, certain benefits absolutely, the subscription to be taken being fixed by a competent actuary. *Upon the basis* of the Government continuing its entire present contribution.

Form of Convenant in use prior to 1860.

THIS INDENTURE made the Day of , in the Year of our Lord One Thousand Eight Hundred and Between of the one Part, and

being three of the Members of the Council of India, acting under the authority and on behalf of the Secretary of State in Council of India, of the other Part.

Recital of the Terms on which the Party enters into the Service.

Whereas the Secretary of State in Council, at the request of the said and upon his Agreement to enter into the Covenants herein contained and on his part to be observed, performed, and kept, have appointed and admitted him to serve Her Majesty as a Member of the Civil Service of India, at and to belong to the Presidency of in the *East Indies*, and so rise to such higher Rank, and to have and enjoy such Salary, Compensation, and Emoluments for his Services, as he shall be entitled to, according to his Rank, Office, and Station, and the Regulations of the said Service, and the Orders of the Secretary of State in Council, and of the Governor in Council of the said Presidency, from time to time to be in force generally with reference to the Rank, Office, or Station which the said may serve in, or especially with reference to the Services of the said such service to continue during the pleasure of Her Majesty, her Hirs and Successors, to be signified under the hand of the Secretary of State for India, but

with liberty for the said

to resign the said Service, with the previous leave and permission of the Secretary of State in Council, or of the Governor in Council of the said Presidency.

Now this Indenture witnesseth, and the said

He Covenants:

for himself, his Heirs, Executors, and Administrators, doth hereby covenant, promise, and agree with and to the said

in Manner and Form following, that is to say:

(First.) That he the said

——For his general Fidelity.

at all times during which he shall be employed in the Service hereinbefore mentioned, shall and will faithfully, honestly, and diligently, to the best of his Skill and Judgment, do, order, transact, and perform all such Matters, Things, Businesses, Affairs, and Concerns as shall be lawfully committed to his Charge, and which, as a faithful, honest, and diligent Servant he ought to do, order, transact, and perform, in execution of any Trust or Duty which shall be reposed in or committed to him, by or on the part of the Secretary of State in Council or of the Government in India, or in execution of the Duty of the Rank, Office, or Station to which he shall be from time to time appointed, or in which he shall act.

(Second.) That he the said

——To obey Orders of a General Nature, or especially relating to the Party.

shall and will observe, perform, and obey all such general Rules and Regulations of the Secretary of State in Council, and of the said Service, as shall be in force, in relation to all Matters, Things, Businesses, Affairs, and Concerns to be committed to his Charge, or to be done, ordered, transacted, or performed by him, or to any Rank, Office, or Station in which he shall act; and shall and will observe and obey all such Orders specially relating to himself or his Conduct, as he shall receive from the Secretary of State in Council, or the Governor in Council of the said Presidency, or any Person or Persons who shall have lawful authority to command him, and whose Orders he the said ought to obey.

(Third.) That he the said

——To keep regular Accounts, to preserve and duly deliver over Books and Chattels, and to produce private Accounts.

shall and will regularly, duly, truly, and justly keep, or cause to be kept, all such Accounts touching his Dealings, and Transactions for and on behalf of the Government in India, and respecting all such Matters, Things, Businesses, Affairs, and Concerns as he shall be engaged in as a Member of the Civil Service of India, as ought to be kept, or caused to be kept by him; and that he shall and will, in due and proper manner, safely and securely preserve and keep, or cause to be preserved and kept, all such Books, Papers, Muniments, Records, and Documents whatsoever, and all such Goods, Chattels, Treasure, Money, Securities, and Effects as shall be committed to his Charge, or as it shall be his duty to preserve and keep, at any time, in the course of his Service, and shall not, nor will, wilfully obliterate, raze, cancel, spoil, damage, injure, or waste, nor permit to be obliterated, razed, cancelled, spoiled, damaged, injured, or wasted, any Books, Papers, Muniments, Records, Documents, Goods, Chattels,

Treasure, Money, Securities, or Effects belonging to Her Majesty, or in the custody of any Person or Persons on account of the Government, and shall and will, according to his duty, deliver and pay, or cause to be delivered and paid over, all such Books, Papers, Muniments, Records, Documents, Goods, Chattels, Treasure, Money, Securities, and Effects, as shall, at any time, be in his custody or power, in the course of his said Service, to any Person or Persons to whom he ought to deliver or pay the same, and to none others: And also that, on demand made by or on behalf of the Secretary of State in Council, or of the Governor in Council of the said Presidency, the said , his Executors and Administrators, shall and will deliver to the Secretary of State in Council, or the Governor in Council, or such Person or Persons as shall be authorized to demand the same on their behalf, all Books, Papers, and Writings whatsoever, in which there shall be any Entry or Memorandum whatsoever, touching any of the Affairs or Concerns of the Government, or any Matter, Thing, Business, Affair, or Concern in which the said shall have been engaged as a Servant in the Civil Service of India; such Delivery to be made without Obliteration or Concealment of any Part of the Books, Papers, or Writings to be delivered up, and notwithstanding that they may not be the Property of Her Majesty, or that there may be any Entry or Entries, Memorandum or Memorandums, relating to the Affairs of the said or any other Person or Persons, or any other reason whatsoever.

(Fourth.) That he the said his Executors and Administrators, shall and will, upon demand, pay, or cause to be paid, to the Secretary of State in Council, or to the Governor in Council of the said Presidency, or their Agents lawfully authorized to receive the same, all such Debt and Debts, Sum and Sums of Money, as he shall at any time owe, or which he, or his Executors or Administrators, ought to pay to Her Majesty for the Service of the Government of India.

—To pay all he may owe to the Queen, for the Service of the Government of India.

(Fifth.) Provided that no Settlement of Account to be depending between the said and any branch of the Government of India, and no Settlement of any Account of the said , to be raised in the course of his Service, shall be binding or conclusive upon or against the Government, unless such Settlement shall be made by, or by the immediate Orders of the Secretary of State in Council, and that the Secretary of State in Council shall be at liberty to treat and consider all such Accounts, although they may have been settled by the Governor in Council of the said Presidency, or by any Agent or other Person on the part of the Government in India, not acting under the immediate Orders for that particular purpose of the Secretary of State in Council, as open Accounts, to be vouched, supported, and proved by the said his Executors or Administrators, or to treat them as settled Ac-

—Proviso, that Accounts settled abroad may either be deemed open, or may be considered as closed, with liberty for the Secretary of State in Council to surcharge and falsify.

counts, conclusive upon the said his Executors and Administrators: but with liberty for the Secretary of State in Council to surcharge and falsify the same.

(Sixth.) That he the said

——Not to misapply or employ for improper Purposes the credit or Stock, or property intrusted to his Care.

shall not nor will, at any time during his said Service, make use of or apply the Money, Effects, Credits, Goods, Chattels, or Stock of the Government, or which he may have in his custody or power in the course of his said Service, for his own Purposes, or for the Use or Purpose of any other Person or Persons, save and except of Her Majesty for the Service of the Government of India, and for such Uses and Purposes for which he ought to use and apply them, in the course of his said Service; save and except such Furniture, Goods, and Chattels as he may be justly entitled to the use of for his own proper Accommodation.

(Seventh.) That he the said

——Not to divulge Secrets.

shall not nor will divulge, disclose, or make known, any Matter relating to the Affairs or Concerns of the Government in India, or relating to any Matter or Thing in which he may act or be concerned, or which may come to his Knowledge in the course of his said Service, which may require Secrecy, and which ought to be kept secret (save and except as his Duty may require), unless he shall be authorized or required to disclose and make known the same by the Secretary of State in Council, or the Governor in Council of the said Presidency, or some other Person or Persons having competent Authority for that Purpose.

(Eighth.) That he the said

——Not to accept corrupt Presents, or make corrupt Bargains.

shall not nor will, at any time, directly or indirectly, ask, demand, accept, or receive any Sum of Money, or Security for Money, or other valuable Thing or Service whatsoever, or any Promise or Engagement, by way of Present, Gift, or Gratuity, from any Person or Persons, with whom, or on whose behalf, he the said on the part of the Government in India, or in the course of his official Duty in the said Service, shall have any Dealings or Transactions, Business or Concern whatsoever, or from any Person or Persons from whom, by Law, or any Orders or Regulations of the Secretary of State in Council, or of any of the Branches of the Government in India, he is or shall be restrained from demanding or receiving any sum of Money, or other valuable Thing as a Gift or Present, or under colour thereof.

(Ninth.) That he the said

——Not to Trade contrary to Law or Regulations.

shall not nor will, by himself or in Partnership with any other Person or Persons, or by the Agency of any other Person or Persons, either as Principal, Factor, or Agent, directly or indirectly engage, carry on, or be concerned in any Trade, Bank, Dealings, or Transactions whatsoever, contrary to Law, or contrary to any lawful Order or Regulation relating generally to the Service in which he may be engaged from time to time, or relating specially to him the said

(Tenth.) That in case the said

—To make Satisfaction to Natives or Foreigners, and to Native States, for Oppressions, Wrongs, and Offences.

shall be guilty of any Violence, Oppression, or Wrong to any Person or Persons, not being an European-born subject or European-born subjects of Her Majesty, her Heirs or Successors, or shall commit any Offence against any King, Government, State, or Nation whomsoever, or shall be charged with any such Violence, Oppression, Wrong, or Offence, then and in such case the said

shall and will submit himself therein, in all things, to the Decision of the Secretary of State in Council, or of the Governor in Council of the said Presidency, if they or either of them shall see fit to interfere therein; and that he the said

his Executors or Administrators, shall and will pay and make good all such Sum and Sums of Money, and do and perform all such Acts, Matters, and Things whatsoever, as a Reparation of the Injuries which he shall have occasioned, or the Offence he shall have given, as he shall be required by any such Decision to pay, make good, do, or perform; and on Failure thereof, it shall be lawful to and for the Secretary of State in Council, or the Governor in Council of the said Presidency (as the case may be), to pay, or cause the same to be paid, made good, done, and performed; and thereupon the said

his Executors or Administrators, shall and will reimburse to the Secretary of State in Council, or the Governor in Council of the said Presidency, and accordingly pay to any Person or Persons authorized to receive the same, all such Sum and Sums of Money as shall be so paid, and all Costs, Charges, and Expenses which may be incurred thereby.

(Eleventh.) That he the said

—Not to quit India without leave, and to satisfy all debts to the Natives and Foreigners before Departure.

shall not nor will at any time return to Europe, nor remove from, quit, or leave the said Presidency of

without the Permission and Leave of the Governor in Council of the said Presidency, in writing for that purpose first had and obtained; and that previously to any such Return or Removal, he the said

shall and will pay, satisfy, and perform all such Debts, Sums of Money, Duties, and Engagements, as he shall owe or be liable to perform to Her Majesty, her Heirs or Successors, or to the Government of India, or any Branch or Department of the same, or to any Person or Persons not being an European-born Subject or European-born Subjects of Her Majesty, her Heirs or Successors, or for or in respect of any Injury or Offence he may have done or committed as hereinbefore mentioned; and that in case of any Breach of this Covenant, he the said

shall and will pay unto the Secretary of State in Council, or to the Governor in Council of the said Presidency, or to some Person authorized on their behalf to receive the same, for Damages in respect of the Breach thereof, such Sum of Money as he shall have owed, and which he shall have omitted to pay as hereinbefore mentioned, or such Sum of Money as shall be equal to the Damage actually sustained by any Person or Persons by Breach or Non-performance of any Duty or Engagement which, under the Covenant hereinbefore contained, he

ought to have satisfied or performed before such Return or Removal, to the end that the Secretary of State in Council, or the Governor in Council, if they shall see fit, may pay over such Damages, or cause the same to be paid, to the Creditor or Creditors, or injured Party or Parties, for his, her, or their own Benefit; or if they shall see fit, may apply the same to any other purpose, or keep the same for the Use of Her Majesty for the Service of the Government of India.

(Lastly.) That he the said

—To become a Subscriber to the Civil Fund and the Annuity Fund.

shall and will forthwith, upon his Arrival at the said Presidency of become a Subscriber to the two several Funds there, the one called the Civil Fund, and the other called the Annuity Fund, and shall and will from time to time, so long as he shall continue in the said Service, conform to all the Rules and Regulations which shall be in force in relation to such two Funds respectively, and shall and will pay such Subscriptions as, under such Rules and Regulations, shall from time to time become due or payable by him the said or at the option of the said Secretary of State in Council, or of the Governor in Council of the said Presidency, allow the Amount of such Subscription to be deducted out of any Money due or payable by the Government to him the said

in witness whereof the said Parties hereto have hereunto set their Hands and Seals the Day and Year above written.

Form of Covenant in use since 1860.

THIS INDENTURE made the day of in the year of our Lord 187 , between herein-

Recital of the terms on which the party enters into the Service.

after called the Covenantor of the one part, and the Secretary of State in Council of the other part. Whereas the said Secretary of State in Council has appointed the Covenantor to serve Her Majesty as a Member of the Civil Service of India at and to belong to the Presidency of Fort William in Bengal, in the East Indies, such Service to continue during the pleasure of Her Majesty, Her heirs and successors, to be signified under the hand of the Secretary of State for India, but with liberty for the said Covenantor to resign the said Service, with the previous premission of the Secretary of State in Council or of the Governor in Council of the said Presidency. Now this Indenture witnesseth, and the said Covenantor

He covenants.

doth hereby covenant and agree with and to the said Secretary of State in Council, in manner and form following; that is to say,—

1st. That while he shall be employed in the said

For his general fidelity.

Service he will faithfully, honestly, and diligently do all such things as shall be lawfully committed to his charge by or on the part of the Secretary of State in Council, or of the Government in India, or in execution of his duty.

2nd. That he will perform and obey all such

To obey orders of a general nature, and especially relating to the party.

general rules and regulations of the Secretary of State in Council and of the said Service as shall be in force in relation to all things to be committed to his charge or to be done by him, or to any rank,

office, or station in which he shall act, and will observe and obey all such orders relating to himself or his conduct as he shall receive from the Secretary of State in Council, or the Governor in Council of the said Presidency, or any person who shall have lawful authority to command him

To keep regular accounts, to preserve and duly deliver over chattels and realty, and to produce private accounts.

3rd. That he will regularly and justly keep all accounts touching his transactions for the Government in India, and will preserve and keep all such documents, chattels, and realty as shall be committed to his charge, or as it shall be his duty to preserve and keep, and shall not wilfully obliterate, cancel, or injure, nor permit to be obliterated, cancelled, or injured, any documents, chattels, or realty belonging to Her Majesty, or in the custody of any person or persons on account of the Government, and will deliver all such documents, chattels, and realty as shall be in his custody or power to any person to whom he ought to deliver the same. And on demand made by or on behalf of the Secretary of State in Council, or of the Government of the said Presidency, will deliver to such person or persons as shall be authorized to demand the same, all documents whatsoever touching any of the affairs or concerns of the Government, or anything in which he shall have been engaged as a servant in the Civil Service of India; such delivery to be made without obliteration or concealment of any part of the books, papers, or writings to be delivered up, and notwithstanding that they may not be the property of Her Majesty, or that there may be any entry or entries relating to his own affairs or those of any other person, or any other reason whatever.

Not to misapply or employ for improper purposes the property intrusted to his care.

4th. That he shall not make use of or apply the property of Her Majesty which he may have for any purposes other than those for which he ought to use and apply it in the course of his said service, save and except such furniture, goods, and chattels as he may be justly entitled to the use of for his own proper accommodation.

Not to divulge secrets.

5th. That he shall not nor will divulge, disclose, or make known any matter relating to the affairs or concerns of the Government in India, or relating to any matter or thing in which he may act or be concerned or which may come to his knowledge in the course of his said service which may require secrecy, and which ought to be kept secret (save and except as his duty may require), unless he shall be authorized or required to disclose and make known the same by the Secretary of State in Council or the Governor in Council of the said Presidency, or some other person or persons having competent authority for that purpose.

Not to accept corrupt presents, or make corrupt bargains.

6th. That he shall not at any time, directly or indirectly, ask, demand, accept, or receive any sum of money, or security for money, or other valuable thing or service whatsoever, or any promise or engagement by way of present, gift, or gratuity, from any person or persons with whom or on whose behalf he shall, on the part of the Government of India, have any dealings or transactions, business or concern whatsoever, or from any person or persons from whom, by law or any orders or regulations of the Secretary of State in Council, or of any

of the branches of the Government in India, he is or shall be restrained from demanding or receiving any sum of money or other valuable thing as a gift or present, or under colour thereof.

Not to trade contrary to law or regulations.

7th. That he shall not nor will by himself, or in partnership with any other person or persons, or by the agency of any other person or persons, either as principal, factor, or agent, directly or indirectly engage, carry on, or be concerned in any trade, bank, dealings, or transactions whatsoever.

Not to quit India without leave, and to satisfy all debts to Her Majesty before departure.

8th. That he shall not nor will at any time return to Europe, nor remove from or leave the said Presidency without the previous permission of the Governor in Council of the said Presidency in writing; and previously to any such return or removal he shall pay, satisfy and perform all such debts, sums of money, duties, and engagements as he shall owe or be liable to perform to Her Majesty or to the Government of India, or any branch or department of the same.

To become a Subscriber to the Civil Fund and the Annuity Fund.

9th. That he shall and will forthwith upon his arrival at the said Presidency become a Subscriber to the Civil Fund and the Annuity Fund there, and shall and will from time to time, so long as he shall continue in the said Service, conform to all the rules and regulations which shall be in force in relation to the said Funds respectively, and will pay such subscriptions as, under such rules and regulations, shall from time to time become due or payable by him, or at the option of the said Secretary of State in Council or of the Governor in Council of the said Presidency, allow the amount of such subscriptions to be deducted out of any money due or payable by the Government to him.

In witness whereof the said Covenantor and

being two Members of the Council of India, have hereunto set their hands and seals, the day and year first above written.

LIST OF MANAGERS SINCE 1860.

Elected Managers.	*Ex officio.*
January 1860.	
H. B. Harington.	W. P. Palmer.
E. Drummond.	J. I. Harvey.
G Loch.	C. H. Lushington.
S. Wauchope.	W. Grey.
J. A. Crawford.	
July 1860.	
Re Temple for (J. A. Crawford).	
January 1861.	
H. B. Harington	J. I. Harvey.
E. Drummond.	C. H. Lushington.
G. Loch.	W. Grey.
S. Wauchope.	H. D. Sandeman.
R. Temple.	
July 1861.	
No election.	
January 1862.	
J. I. Harvey.	C. H. Lushington.
Hon'ble H. B. Harington.	W. Grey.
Hon'ble E. Drummond.	H. D. Sandeman.
S. Wauchope.	
R. Temple.	
Hon'ble A. Eden.	
July 1862.	
Hon'ble W. S. Seton-Karr, (for R. Temple).	C. H. Lushington.
	Hon'ble E. Drummond.
	W. Grey.
	H. D. Sandeman.

LIST OF MANAGERS SINCE 1860—*(Contd.)*

Elected Managers.	*Ex-Officio.*
January 1863.	
Hon'ble H. B. Harington.	J. I. Harvey.
S. Wauchope.	Hon'ble E. Drummond.
Hon'ble W. S. Seton-Karr.	E. C. Bayley.
Hon'ble A. Eden.	H. D. Sandeman.
E. F. Harrison.	
July 1863.	
No election.	
January 1864.	
S. Wauchope.	R. P. Harrison.
V. H. Schalch.	E. H. Lushington.
Hon'ble W. S. Seton-Karr.	E. C. Bayley.
Hon'ble G. Campbell.	H. D. Sandeman.
E. F. Harrison.	
July 1864	
J. A. Crawford (for E. F. Harrison).	
January 1865.	
V. H. Schalch.	R. P. Harrison.
Hon'ble W. S. Seton-Karr.	E. H. Lushington.
Hon'ble G. Campbell.	E. C. Bayley.
J. A. Crawford.	H. D. Sandeman.
T. Bruce Lane.	
July 1865.	
No Election.	
January 1866.	
V. H. Schalch.	E. H. Lushington.
Hon'ble W. S. Seton-Karr.	E. C. Bayley.
Hon'ble G. Campbell.	H. D. Sandeman.
J. A. Crawford.	E. F. Harrison.
T. Bruce Lane.	
July 1866.	
No Election.	
January 1867.	
V. H. Schalch.	R. P. Harrison.
Hon'ble W. S. Seton-Karr.	E. H. Lushington.
J. A. Crawford.	E. C. Bayley.
T. Bruce Lane.	H. D. Sandeman.
A. Mackenzie.	
July 1867.	
A. M. Monteath (for A. Mackenzie).	
January 1868.	
V. H. Schalch.	E. H. Lushington.
Hon'ble C. P. Hobhouse.	E. C. Bayley.
J. A. Crawford.	H. D. Sandeman.
T. Bruce Lane.	E. F. Harrison.
A. M. Monteath.	
August 1868.	
Hon'ble C. P. Hobhouse.	E. H. Lushington.
T. Bruce Lane.	E. C. Bayley.
S. C. Bayley.	H. D. Sandeman.
A. M. Monteath.	E. F. Harrison.
W. M. Souttar.	
January 1869.	
Hon'ble A. Eden.	E. H. Lushington.
T. Bruce Lane.	H. D. Sandeman.
A. M. Monteath.	E. F. Harrison.
H. Beverley.	A. P. Howell.
W. M. Souttar.	

NOTE—In 1869 rule 23 was amended. The number of ex-officio Managers, in Calcutta, under its provisions cannot now be less than four.

July 1869.	
No Election.	
January 1870.	
V. H. Schalch.	E. C. Bayley.
The Hon'ble A. Eden.	H. D. Sandeman.
A. M. Monteath.	E. F. Harrison.
H. Beverley.	R. B. Chapman.
W. M. Souttar.	
July 1870.	
No Election.	
January 1871.	
V. H. Schalch.	E. C. Bayley.
Hon'ble A. Eden.	E. F. Harrison.
A. M. Monteath.	R. B. Chapman.
H. Beverley.	H. A. Mangles.
W. M. Souttar.	
July 1871.	
V. H. Schalch.	E. F. Harrison.
H. A. Cockorell.	A. R. Thompson. } Rev. Secy. Gvt. of Bgl.
W. L. Heeley.	H. A. Mangles.
H. Beverley.	S. C. Bayley.
W. M. Souttar.	

LIST OF MANAGERS SINCE 1860—*(Contd.)*

Elected Managers.	*Ex-Officio.*
January 1872.	
V. H. Schalch.	E. C. Bayley.
H. Bell.	H. D. Sandeman.
W. L. Heeley.	R. B. Chapman.
H. Beverley.	H. A. Mangles.
W. M. Souttar.	
July 1872.	
J. A. Crawford (for Mr. Bell).	
January 1873.	
Hon'ble V. H. Schalch.	H. D. Sandeman.
J. Monro.	H. L. Dampier.
W. L. Heeley.	R. B. Chapman.
W. M. Souttar.	H. A. Mangles.
H. Luttman-Johnson.	
July 1873.	
No Election.	
January 1874.	
Hon'ble V. H. Schalch.	E. F. Harrison.
T. J. C. Grant.	R. B. Chapman.
J. Geoghegan.	H. A. Mangles.
H. J. S. Cotton.	A. C. Lyall.
L. C. Abbott.	
August 1874.	
No Election.	
January 1875.	
Hon'ble V. H. Schalch.	E. F. Harrison.
J. C. Grant.	R. B. Chapman.
O'Kinealy.	H. A. Mangles.
W. M. Souttar.	A. P. Howell.
H. J. S. Cotton.	
July 1875.	
No Election.	
January 1876.	
Hon'ble L. S. Jackson.	E. F. Harrison.
C. T. Buckland.	R. B. Chapman.
Hon'ble W. F. McDonnell.	H. A. Mangles.
J. O'Kinealy.	A. P. Howell.
W. M. Souttar.	